

## Counter Recession Worries with BCE Inc., Alimentation Couche-Tard Inc. and Loblaw Companies Limited

### Description

Well, it's official. With the latest data from Statistics Canada, the economy shrank for a second straight quarter, officially qualifying the use of the term "recession." GDP for the country declined 0.5% in the second (April-June) quarter, after the first quarter saw a decline of 0.8%. Despite the decline, figures for the month of June showed 0.5% growth—the first in five months of consecutive negative numbers.

With the economy the way it is, some investors opt for lower risk and invest in less aggressive options, whereas others use the dip in prices to pick up some bargains. Here are a few companies to consider that are weathering the storm quite well, and will even pay out a dividend.

#### BCE Inc.

**BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) is a massive company that has been around for decades, and more importantly, has been paying healthy dividends for over 100 years. That dividend is quite significant, too—\$2.60 per share annually.

With respect to the current the stock price, BCE hasn't dropped proportionally to the rest of the market. The stock is currently down approximately 3% over the past month, whereas the market as a whole is down nearly 7%. The most recent quarterly report for the company showed a very strong quarter with increases in both revenues and subscriptions for both Internet and TV services.

This might increase as consumers turn to home entertainment and pay for online streaming entertainment during the recession instead of going out and spending money in theatres and restaurants.

#### Alimentation Couche-Tard Inc.

**Alimentation Couche-Tard Inc.** (TSX.ATD.B) is one of the largest convenience store and gas station operators in the world with over 13,000 locations. The five-year return on the company is still nearly 650%, despite a less than stellar quarter and falling oil prices.

While the dividend is not as handsome as BCE's, Couche-Tard's \$0.055 per quarter is something that will keep investors happy.

In the most recent quarterly report, net earnings were up 12% over the same quarter last year, but revenues were down by approximately 2.3% over the same quarter in the previous year to \$9 billion. The stock is down approximately 3% for the past month, but the three-month figure is a healthy 18% increase.

The expansive network of Couche-Tard nearly guarantees that if you haven't gone into one of the locations recently, you soon will. Recession-weary consumers looking for a deal will opt for picking up

the one or two items needed from the local convenience store and purchase some cheaper gas while there.

## Loblaw Companies Limited

Consumers still need to eat and take their medications in a recession—they just alter spending habits, opting for better bargains and focusing on necessities.

**Loblaw Companies Limited** ([TSX:L](#)) is the largest food distributor and pharmacy operator in the country, encompassing some 20 well-known brands and approximately 2,300 locations.

Loblaw is down just over 3% for the past month, and looking back to three months, the stock is still up nearly 10%. Loblaw has outperformed the market during the recent drop, and in previous recessions the company held up much better than other stocks.

Loblaw's dividend is \$0.25 per quarter, and the company has a history of increasing the dividend.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:L (Loblaw Companies Limited)

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