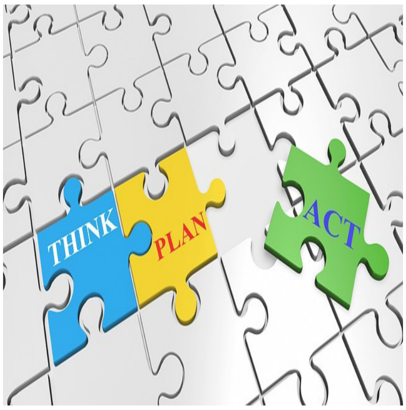

Worried About a Stock Market Bubble? Buy and Hold These 5 Dividend Stocks

Description

The S&P/TSX Index has boasted a 110% return since hitting a bottom of 7,479 on March 9, 2009. Concerns over inflated asset prices have also received a great deal of attention in the red-hot Canadian housing market. U.S. and international indexes have also boomed to record levels in the post-Financial Crisis era.

This year has seen global growth strengthen to pre-recession levels. In its report, the International Monetary Fund (IMF) threw some cold water on enthusiasm regarding the global recovery. In its Global Financial Stability report, the IMF drew attention to $135 trillion of combined debt in G20 economies. IMF financial department head Tobias Adrian warned about the pursuit of high-yielding assets, as investment-grade bonds yielding more than 4% have dropped down to $2 trillion from $16 trillion before the Financial Crisis — a 75% decline.

With central banks now unwinding monetary stimulus and pursuing interest rate hikes, the IMF has warned about the potential shocks to the financial system. For investors who are concerned as the recovery enters its ninth year, let's take a look at five dividend stocks to own in uncertain economic times.

Discount retailers are attractive in difficult economies times as consumers find their budgets strained. **Dollarama Inc.** (TSX:DOL) is the largest Canadian retailer for items of $4 or less. Shares of Dollarama have surged 43.8% in 2017 as of close on October 16 and 38% year over year. The company posted sales growth of 11.5% in the second quarter and a 24.1% increase in operating income. Dollarama stock offers a dividend of $0.11 per share with a 0.3% dividend yield.

Hydro One Ltd. (TSX:H) is a regulated utility that services Ontario. Shares have fallen 3.7% in 2017 and 7.4% year over year. The stock is up 4.3% since its initial public offering in November 2015. A mild summer was a drag on recent earnings, but the company announced the $6.7 billion acquisition of Avista Corp., which will net it over 700,000 new U.S. customers in 2018. The stock boasts a dividend of $0.22 per share, representing a 3.9% dividend yield.

Fortis Inc. (TSX:FTS)(NYSE:FTS) is yet another regulated utility, this one based in St. Johns. On

October 16, Fortis announced a five-year capital investment plan of $14.5 billion through 2022. It also delivered a 6.25% dividend increase to $0.425 per share. The company has now provided 44 years of dividend growth. Shares have climbed 11.3% in 2017 and 10% year over year.

In providing essentials at a low cost, convenience stores have proven to be resilient in difficult economic times. **Alimentation Couche Tard Inc.** (TSX:ATD.B) owns more than 12,000 convenience stores across North America, Europe, and Asia. The stock has dropped 1.7% in 2017 and 10% year over year. In the fiscal 2018 first quarter, the company posted net earnings of $364.7 million, or $0.64 per share, compared to $322.8 million, or $0.56 per share, in fiscal Q1 2017. The stock also offers a dividend of $0.09 per share with a 0.60% dividend yield.

Franco Nevada Corp. (TSX:FNV)(NYSE:FNV) is a Toronto-based company that owns royalties in gold mining and other investments. Shares have increased 24.4% in 2017 and 20% year over year. Gold continues to be a favoured safe haven during geopolitical or financial shocks, making gold equities a viable hedge in any portfolio. Franco Nevada offers a dividend of $0.28 per share, representing a 1.1% dividend yield.

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