4 Defensive Dividend-Growth Consumer Stocks for Investors Worried About Stock Market

Description

The S&P/TSX Index has gained over 550 points in 2017 as of close on October 20. The index has benefited from a red-hot September and October. However, recent reports from Statistics Canada have shown the potential beginnings of a slowdown in the Canadian economy in the latter months of 2017. These developments could quickly turn investor sentiment and lead to stock market volatility.

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Let's take a look at four defensive consumer stocks that boast over a decade of dividend growth.

Empire Company Ltd. (TSX:EMP.A) is a Canadian food retail conglomerate. Its subsidiaries include stores such as Sobeys, Safeway, FreshCo, Foodland, and many others. Shares have increased 46% in 2017 and 16% year over year. In its fiscal 2018 first-quarter results, Empire reported net earnings of $87.5 million, or $0.32 per diluted share, compared to $73.6 million, or $0.27 per diluted share, in fiscal Q1 2017. The stock offers a dividend of $0.10 per share, representing a dividend yield of 1.8%. The company has also delivered dividend growth for 22 years and counting.

Metro, Inc. (TSX:MRU) is a Montreal-based food retailer operating in Ontario and Quebec. Like Empire Company, Metro has been forced to wrestle with the new Ontario minimum wage laws coming into effect in January of 2018 and 2019. The stock also suffered after it was revealed that **Amazon.com, Inc.** had purchased Whole Foods Market, Inc. and would bring its competitive and disruptive retail model into the grocery market. Metro has responded by announcing it will cut 280 jobs as part of a modernization initiative and work on continuing to build its online offerings. This stock also boasts a dividend of $0.16 per share with a 1.6% dividend yield. It has also delivered 22 years of dividend growth.

Saputo Inc. (TSX:SAP) is one of the top dairy processors in the world and is based in Montreal. Shares of Saputo have fallen 7% in 2017 and 5% year over year. Its third-quarter results are due on November 2, and in the second quarter it posted net earnings that climbed 13.4% to $200.3 million. Ongoing NAFTA negotiations have put the continuing policy of supply management into question, as the U.S. delegation recently demanded that it be phased out over the next decade. However, Canadian officials have assured that this is not acceptable, which should ensure decreased volatility for the company in domestic markets. The stock also offers a dividend of $0.16 per share, representing a 1.4% dividend yield. The company has delivered 17 years of dividend growth.

Andrew Peller Ltd. (TSX:ADW.A) produces and markets wine and winemaking products across Canada and boasts brands such as Trius, Hillebrand, Sandhill, and others. Shares have climbed 5.3% in 2017 and 3.5% year over year. In its fiscal 2018 first-quarter results, it saw sales rise 0.8% and gross margin as a percentage of sales climb to 40.2% compared to 38.8% in fiscal Q1 2017. The stock offers a dividend of $0.05 per share with a 1.4% dividend yield. The company has delivered 11 straight years of dividend growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ADW.A (Andrew Peller Limited)
2. TSX:EMP.A (Empire Company Limited)
3. TSX:MRU (Metro Inc.)
4. TSX:SAP (Saputo Inc.)

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