



The Top 4 Defensive Stocks to Hold in 2018

Description

With an exciting year almost behind us, many investors are starting to feel the fatigue of the bull run and are ready to get into a much more defensive position with their investments. For those seeking the best defensive securities to own, there are a number of options currently available at very attractive valuations. As a reminder, defensive companies are those that offer consistency in revenues, expenses, and earnings during all periods of an economic cycle.

The first name on the list are shares of **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)). At a price slightly above \$110, the bank offer investors a dividend yield greater than 4.5%, while maintaining a payout ratio of less than 45% over the past two full fiscal years. After diversifying the Canadian footprint into the U.S. market with [two wealth management acquisitions](#), this high-dividend-paying company will have the opportunity to either enhance dividends to shareholders, resulting in a higher yield, or potentially initiate a share buyback, which will lead to higher earnings down the road.

Following the financial behemoth, investors can also consider shares of **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)), which, at a price of \$61 per share, offers a quarterly dividend close to 4.75%. Although the company was traditionally regarded as one of the safest stocks available due to its monopoly on traditional landline telephones, sometimes things have to change. Due to the company's ability to provide customers with reliable wireless service and consistent dividend payments, the stock is still regarded as one of the safest available to investors today. Only time will tell just how much the dividend can be increased over time.

In the REIT sector, **Pure Industrial Real Estate Trust** (TSX:AAR.UN) is one of the [best-known names](#) in the industrial space, priced at \$6.75 per share. Investors will feel that they are getting a “cheap stock.” The beauty of this defensive name, however, is the long-term nature of industrial real estate leases, which matches the long-term nature of the borrowings. With a payout ratio which is declining almost every year, the company may finally be in a position to raise the dividend once again.

To close out our top four names, we move south of the border to shares of **Apple Inc.** ([NASDAQ:AAPL](#)). At a price of US\$175 per share, Apple has been a home run for long-term investors. Although the company has had certain periods that were better than others, investors can now rest assured knowing they will continue to receive a dividend yield close to 1.5%, as shares of this U.S. giant continue to

reach new records. Although shares may seem expensive to some, the potential for appreciation is substantial should the company choose to enter the automated car market.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NASDAQ:AAPL (Apple Inc.)
2. NYSE:BCE (BCE Inc.)
3. NYSE:CM (Canadian Imperial Bank of Commerce)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. Editor's Choice

Date

2025/08/26

Date Created

2017/11/17

Author

ryangoldsman

default watermark

default watermark