# 3 Dividend Stocks to Buy in an Aging Bull Market

## Description

The bull markets in the U.S. and Canadian stock markets could be nine years old in March. The **S&P/TSX Index** rose 6% in 2017 and has risen by 0.61% to start 2018. A Bloomberg-Nanos consumer confidence index that covered the last week of 2017 found that Canadians have not been more confident in the economy since early 2009, as it started its recovery from the Financial Crisis.



Is this a case of irrational exuberance, or does the bull market have plenty of legs? In its Global Economic Prospects report released on January 9, The World Bank projected global economic growth would reach 3.1% in 2018. The report described this as a “short-term upswing” and listed a number of long-term concerns. Some of these risks include “softening productivity growth, weak investment, and the aging of the global labour force.”

Economic growth in advanced economies is expected to shrink from an average 2.2% growth in 2018 to 1.7% by 2020. The Organization for Economic Cooperation and Development (OECD) projected that Canadian GDP growth would drop to 1.9% by 2019.

With this in mind, let’s take a look at three stocks we can zero in on to prepare for a potential downturn.

**BCE Inc.** (TSX:BCE)(NYSE:BCE)

BCE is one of the largest telecommunications companies in Canada. The stock has dropped 4% to start 2018 as of close on January 12. In the third quarter, BCE saw its net earnings increase 2.1% to $817 million as service revenue and EBITDA grew 5.9% and 5.8%, respectively. BCE, like other telecommunications companies in 2017, was driven by strong wireless growth. It reported 198,005 wireless net additions in the third quarter — up 8.3% year over year.

The company also announced an attractive quarterly dividend of $0.72 per share, representing a 4.9% dividend yield. BCE has declared dividend growth for nine consecutive years.

**Andrew Peller Ltd.** (TSX:ADW.A)

Andrew Peller is a Grimsby-based company engaged in production, bottling, and marketing of wine and wine-related products. Alcoholic beverage retail demonstrated strong growth towards the end of 2017. The industry is also one of the most durable in the event of a recession. Andrew Peller stock has already climbed 5% to start 2018.

In the third quarter, sales were up 2.4% year over year, and adjusted earnings were $9.1 million compared to $6.8 million in the prior year. The company also announced a quarterly dividend of $0.05 per share, representing a 1.1% dividend yield.

**Saputo Inc.** (TSX:SAP)

Saputo is a Montreal-based marketer and distributor of dairy products. It is one of the 10-largest dairy processors in the world. Saputo stock has dropped 5.3% in 2017. Overall food prices are expected to increase 1-3% in 2018 with dairy only rising between 0% and 2%.

Lower sales volumes in Canada and higher volumes in the U.S. offset to produce a total revenue increase of 1.4% to $2.88 billion. However, net earnings were down 3.4% to $185.2 million. Saputo stock offered a quarterly dividend of $0.16 per share, representing a 1.5% dividend yield. The company has delivered dividend growth for 18 consecutive years.

**CATEGORY**

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2. TSX:ADW.A (Andrew Peller Limited)
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aocallaghan