



2 Dividend Stocks Offering Great Value for Bargain Hunters

Description

As stock market [volatility spikes globally](#) after a remarkable rally last year, investors are wondering if the party in the equity market is over.

If you're closely watching this indiscriminate sell-off, you'll realize that there is no specific trigger forcing investors to flee the stock market this time. Companies in general are reporting healthy earnings, while North American economic data point to a very rosy picture.

Many analysts are calling this sell-off a healthy correction the markets needed as prices rose too fast, pushing stocks in a overbought territory over the short run. Just to get things in perspective, stocks have been on a bull run since 2009, but the latest spike started last year, boosted by strong earnings and the Trump administration's corporate tax cut. The S&P 500 rose 19% in 2017 alone.

So, if this is a short-term blip in a bull market, how can you benefit? One way to take advantage of this opportunity is to buy recession-proof stocks. Some businesses are built to produce cash in every cycle of the economy. And investors can count on their dividend cheques to arrive in the mail.

I see many great stocks trading at very attractive levels, opening an entry point for long-term investors. Here are my two dividend picks, which have seen a steep decline in their values, but fundamentally, nothing has changed, and there is no threat to their profitability.

BCE Inc.

Canada's largest telecom utility [BCE Inc. \(TSX:BCE\)\(NYSE:BCE\)](#) is a great defensive stock during times of extreme volatility. This company, with more than 100 years of dividend-paying history, has been through many economic cycles and market downturns. But it has never stopped sending dividend cheques to its investors.

Trading at \$55.25 at the time of writing, BCE stock is down 9% in the past three months, pushing its dividend yield to over 5%. Investors are avoiding this stock amid rising bond yields, which are considered bad for capital-intensive businesses, such as telecom companies, but I would keep a eye on the BCE stock for a better entry point if the market downturn continues.

Enbridge

Utilities and infrastructure providers, such as **Enbridge Inc.** ([TSX:ENB](#))([NYSE:ENB](#)), have a unique position in our economy, as they provide essential services we can't avoid, even during the worst of economic cycles. Most people will cut their discretionary spending first before they stop paying for electricity or gas bills.

Enbridge, for example, owns a strong and diversified portfolio of assets, including utilities, pipelines, and storage facilities across North America.

This portfolio of critical infrastructure assets globally provides long-term investors diversification and helps the company generate stable cash flows with minimal maintenance capital expenditures.

After the recent pullback, Enbridge stock is trading close to the cheapest level in a year. If you plan to add a great dividend stock to your income portfolio, then the timing is great, especially when its dividend yield has swelled to 5.44%.

The bottom line

While some investors lick their wounds after seeing their investment values plummet during this market correction, you can look for bargains and values in companies with strong businesses and cash flows.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge Inc.)

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