



Buy These 3 Top Dividend Stocks When the Markets Hit Bottom

Description

[Timing the market](#) is a losing battle. It's as difficult to predict the duration and the magnitude of a downfall as it is to call a peak.

Many analysts still believe that the U.S. stocks remain in a secular bull run and that the current phase of correction will end soon. The **S&P 500 Index** officially entered 10% correction territory on February 8, while Canada's benchmark **S&P/TSX Composite Index** was down about 9% from its peak at the time of writing.

In this environment of fear and negative momentum, however, one thing is certain: the markets will eventually bottom, and that should be the time for smart investors to buy quality dividend stocks at prices no one could've conceived of just a week ago.

If you have some cash on the sidelines and you're looking for the bottom fishing, here are my three top dividend stocks to consider.

Enbridge Inc.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)) is one of the top losers in the current stock market mayhem. North America's largest energy infrastructure company has lost about quarter of its value during the past year.

The top concern that's negatively impacting this stock is the company's ability to keep its debt at a manageable level at a time when bond yields are surging. Enbridge plans to undertake a massive growth plan following its acquisition of Spectra Energy last year.

These developments are also creating doubts about the utility's ability to maintain its 10% growth in dividend payouts going forward. However, I believe these concerns are overblown and that Enbridge's long-term value remains intact. Trading at \$42.72 and with an annual dividend yield of 5.6%, Enbridge looks like a steal at this price.

BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)), Canada's largest telecom operator, is another dividend stock that deserves your attention once the dust has settled.

After an 11% plunge from its peak in December, BCE stock has become an extremely attractive target for buying the dip investors, especially when the company's growth continues unabated.

During the fourth quarter, BCE registered its best quarterly wireless growth in many years as it added 175,204 subscribers in the three months ending December 31, up 56% from the same period last year. The strong gains in its wireless division helped the company beat analysts' forecast with the 5% dividend hike.

Trading at \$55.63, BCE stock is also close to the 52-week low. But that sell-off has swelled its dividend yield to more than 5%. Adding this top name to your portfolio wouldn't be a bad idea when you see the markets hitting bottom.

CN Railway

Canadian National Railway Company ([TSX:CNR](#))([NYSE:CNI](#)) peaked early this year after a remarkable run that produced 86% in total returns. The ongoing sell-off, however, has steepened its losses, knocking off 16% from the 52-week high.

I don't see this short-term setback turning into something bigger, however. CN Rail holds a dominant position in the North American transportation industry. Its transcontinental 19,600-mile rail network spans Canada and mid-America, connecting the Atlantic, the Pacific, and the Gulf of Mexico.

Its strong position has allowed the company to pay uninterrupted dividends since going public in the late 1990s. Last month, management boosted the quarterly payout by 10% to \$0.46 per share.

Trading at \$94.32 a share at the time of writing, CN Rail is another great stock to add to your portfolio when you're ready to put your money to work.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Top TSX Stocks

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Top TSX Stocks

Date

2025/07/05

Date Created

2018/02/12

Author

hanwar

default watermark

default watermark