Churn Out Income in a Volatile Market With These 3 Dividend Stocks

Description

The S&P/TSX Composite Index started 2018 on a bad note but has climbed steadily since mid-April. In spite of this, there is still a lingering anxiety over the potential blowback from ongoing trade disputes. The threat of auto tariffs being imposed by the United States is reason for concern, and if these are brought to the table in the fall, the TSX could face a shaky end to the year.

Canadians will hold out hope that the Trump administration will stop short of imposing these potentially damaging tariffs, but it does not hurt to be prepared. Today, we are going to go over three stocks that can provide income for a defensive portfolio.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge stock has rallied with the TSX since mid-April. Shares were up 7.7% over a three-month period as of close on July 19. However, the stock was still down double digits year over year. Enbridge has benefited from soaring oil and gas prices and some positive news south of the border.

Enbridge had been locked in a battle with regulators in Minnesota concerning its Line 3 Replacement project. For some time, the prospects for the project appeared dim, and it faced sharp opposition from activists in the state. In late June, Enbridge got the good news that Minnesota regulators had chosen to approve the Line 3 project. The five members of the Public Utilities Commission unanimously approved of the project, though Commission Dan Liqschutlz complained of a figurative "gun to our head."

Enbridge is set to release its second-quarter results in early August. Adjusted earnings surged to $1.375 billion, or $0.82 per share, compared to $675 million, or $0.57 per share, in the prior year. Enbridge stock also offers a monster quarterly dividend of $0.671 per share, representing a 5.4% dividend yield.

Hydro One Ltd. (TSX:H)

Hydro One has also faced its fair share of controversy in the political arena. New Ontario premier Doug Ford recently followed through on his campaign promise and pushed out Hydro One CEO Mayo

Schmidt and the entire board of directors. The stock plunged in response, but this may represent an intriguing buy-low opportunity.

Political meddling or no, Hydro One will be a revenue machine for decades to come and also boasts a wide moat. The most recent results saw the company report adjusted earnings per share of $0.35 compared to $0.28 in the prior year. Hydro One's board of directors also approved a 5% hike to its quarterly dividend to $0.23 per share. This represents an attractive 4.6% dividend yield.

Brookfield Renewable Partners LP (TSX:BEP.UN)(NYSE:BEP)

Brookfield Renewable Partners stock has stumbled over the past year. Investors may be apprehensive with a U.S. administration perceived to be hostile to renewables in favour of the oil and gas industry. However, global trends have shown that investment in renewables is steadily rising, and investors should remain optimistic in the growth trajectory across the developed and developing world.

The stock also offers a quarterly dividend of $0.49 per share, representing a 6.1% dividend yield.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:ENB (Enbridge Inc.)
5. TSX:H (Hydro One Limited)

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