



## Seek Shelter From Trade War With These 3 Dividend Stocks

### Description

Earlier this week, I'd discussed the potential fallout that could follow [auto tariffs](#) in North America. This was ahead of a crucial meeting between the United States and Europe.

There finally appeared to be some promising news on the trade front following the meeting between U.S. president Donald Trump and European commission president Jean-Claude Juncker on July 25. The two sides reportedly agreed to expand European imports of U.S. liquefied natural gas and soybeans, and both also agreed to lower industrial tariffs. Negotiations are still ongoing, and investors should always be cautious with substantive action still pending.

Today, we are going to look at three stocks that can provide shelter, as trade will be a concern for the remainder of 2018 and likely beyond.

#### **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#))

BCE stock has dropped 9.2% in 2018 so far. Rate tightening has punished telecoms, utilities, and other income vehicles that have been fantastic holds during nearly a decade of historically low interest rates. The Bank of Canada raised the benchmark rate to 1.5% on July 11, but Governor Stephen Poloz has struck a cautious and dovish tone in recent meetings. These income beasts will still be a great bet heading into the next decade.

BCE is set to release its second-quarter results in early August. In the first quarter, BCE continued to benefit from strong wireless and internet growth, which has been a common trend among other telecom giants. BCE stock also offers a quarterly dividend of \$0.755 per share, representing an attractive 5.3% dividend yield.

#### **CAE Inc.** ([TSX:CAE](#))([NYSE:CAE](#))

CAE is a Quebec-based aerospace and defence company. Its stock has dipped 2.7% over the past week, but shares have climbed 14.9% in 2018 so far. In April, I'd discussed why CAE should be on every investors' radar, as the United States, Canada, and many other nations in the developed world had committed to [increasing military budgets](#) over the next decade. CAE, which boasts contracts with

U.S. and Canadian defence, will be a major beneficiary of this development.

The company is set to release its fiscal 2019 first-quarter results on August 14. For fiscal 2018 CAE reported revenue of \$2.8 billion and posted a record \$7.8 billion order backlog. The defence segment booked a record \$1.4 billion in orders in fiscal 2018. CAE last announced a quarterly dividend of \$0.09 per share, representing a 1.3% dividend yield.

**Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#))

Fortis is a St. John's-based diversified electric utility holding company. Shares have dipped 8.3% in 2018, as Canadian utilities have been battered by the aforementioned rate tightening. The company is set to release its second-quarter results on July 31.

Fortis has committed to an ambitious five-year capital-expenditure plan that will run through 2022 and cost \$15.1 billion. This is intended to modernize energy networks and increase its rate base. Fortis last announced a quarterly dividend of \$0.425 per share, representing a 3.9% dividend yield.

**CATEGORY**

1. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:CAE (CAE Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
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