Forget the FAANG Stocks — Buy These 5 Companies Instead!

Description

Markets have gotten off to a choppy start in October — putting it mildly — and the FAANG stocks — **Facebook**, **Apple**, **Amazon**, **Netflix**, **Alphabet** — have done no better.

The TSX Index, Canada's benchmark gauge for the country's public markets, is down 4% since the beginning of the month.

Some will argue about just how much juice this bull market has left in it, but there's almost no denying that the FAANGs are getting a little long in the tooth.

But because so much of this bull market has been led by technology stocks, and those FAANGs in particular, they now make up a disproportionate weight of the broader markets, meaning that if markets do continue to sell off, you'll be much better off holding shares in these five dividend stocks.

Over the past decade, **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) has established for itself a sizable presence in the U.S. market.

Given the results of the latest round of NAFTA negotiations and the potential for unfavourable consequences to the Canadian economy, not to mention rising household debt in the county coupled with a rising interest rate environment, that may not be such a bad thing.

The Canadian financial system is still carefully regulated and remains one of the safest financial systems anywhere in the world, and it's a market that all Canadians should have at least some exposure to, but an investment in TD stock right now and its conservative 3.55% dividend could be a great hedge to the risks in our domestic market.

Royal Bank of Canada (TSX:RY)(NYSE:RY) is Canada's largest financial institution and one of the biggest banks globally.

Like TD, Royal Bank has also spent considerable time and effort over the past decade establish its presence in overseas markets.

Foolish investors can rest easy at night with RY stock's 3.91% dividend yield.

BCE (TSX:BCE)(NYSE:BCE) shares yield an even better payout with an annual dividend of 5.80% heading into Thursday's trading.

The company is coming off a strong 2017 but has lagged the performance of its rivals so far in 2018.

Now could be a solid opportunity to pick up BCE stock, which is currently trading very close to its 52-week average.

Enbridge (TSX:ENB)(NYSE:ENB) then goes one step further, upping BCE stock and paying shareholders a 6.16% annual dividend yield. What’s more, it has already gone on record stating that it plans to increase that payout by another 8-10% over the next two years.

The currently-under-construction Line 3 Replacement program will pave the way for significantly increased cash flows going well into the next decade.

Suncor Energy (TSX:SU)(NYSE:SU) is Canada’s largest oil and gas company with a market capitalization of more than $75 billion.

SU stock yields 3%, and while that’s the lowest annual yield of the companies on this list — not including the FAANGs — the company’s massive oil sands reserves will pave the way for ongoing dividend increases well into the future.

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TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:RY (Royal Bank of Canada)
4. NYSE:SU (Suncor Energy Inc.)
5. NYSE:TD (The Toronto-Dominion Bank)
6. TSX:BCE (BCE Inc.)
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