3 Dividend Stocks I'd Buy Today

Description

Given how volatile the markets have been lately, it's not hard to wonder why someone might be hesitant to invest in them today. No one wants to see their portfolio go on wild swings, and while dividend stocks might be perceived as being a bit safer, they too can be a bit risky.

One strategy that could help is focusing on low-beta dividend stocks. Beta effectively tells you how much a stock moves with the market, and whether a stock's swings are the same (beta of one), less intense than the market (beta of less than one), or greater than the market (beta of more than one).

Below are three stocks that have betas of less than one and that pay dividends. I'd consider buying these stocks today, particularly for safety and a steady stream of cash flow.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is a top bank stock and it's one that isn't going to take you on any wild rides. However, you can probably expect it to be a safe bet to outperform the market as rising interest rates can help it cash in on higher spreads, and a strong presence in the U.S. will give it less exposure to the Canadian market than other, more domesticated bank stocks will.

Year to date, TD's stock has struggled a little bit and is down so far, but it's still doing better than the TSX:

While TD has followed a similar pattern to the TSX, its declines have not been as deep, which is why its beta would fall below one.

TD currently pays investors a dividend of about 3.6% and it could be a good alternative to putting your money into a savings account. Not only would you be earning a higher yield, but you're likely to make a decent return as well.

Rogers Communications Inc. ([TSX:RCI.B](TSX:RCI.B))(NYSE:RCI) is another blue-chip stock that has done a good job of staying out of the TSX's wild swings.

While many telecom stocks have struggled this year, Rogers has done well and managed to even produce modest returns for investors thus far. The downside is the stock pays a bit less in dividends than TD does, with its payouts falling a little under 3% per year.

Nonetheless, it's a good option for safety as I wouldn't expect to see a big drop in the stock without something very drastic happening.

Fortis Inc (TSX:FTS)(NYSE:FTS) would give you a third industry to invest in to diversify your portfolio with, and it too has slightly outperformed the TSX, although it hasn't always been that way:

What's always appealing about a utility stock to me is that it's really the one expense (other than a mortgage) that consumers can't cut back on or eliminate. It's a necessity and ensures that Fortis won't see big swings during bad economic times, or even good ones for that matter.

And with a dividend of more than 4%, Fortis also offers the highest payout of the stocks on this list.

CATEGORY

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TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:FTS (Fortis Inc.)
5. TSX:RCI.B (Rogers Communications Inc.)
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Author
djagielski