Revealed: Collect 6.7% Dividends the Safe Way

Description

When a recession is imminent, anxious investors reveal the stocks you should buy and not worry about anything else. Top-tier dividend stocks are rational picks. Aside from protection against economic downturns, the stocks pay high dividends.

Canadian Imperial Bank of Commerce (TSX:CM)(NYSE:CM), **Enbridge** (TSX:ENB)(NYSE:ENB), and **BCE** (TSX:BCE)(NYSE:BCE) are safety nets. You can buy the stocks before, during, and after a recession. You should hold these first-rate investments in perpetuity.

Top-notch

Don't mind the talk about inverted yield curves triggering a recession. While it's an indicator of bad times ahead, you shouldn't lose focus of your financial goals. The Canadian banking sector is notoriously known for being more stable than other sectors. CIBC in particular is a substantial investment and generally less volatile.

Despite the slowing economy, CIBC delivered a better-than-expected quarterly performance. In the quarter ended July 31, 2019, the bank recorded an adjusted net income of $1.4 billion. Correspondingly, CIBC raised its quarterly dividend by 2.9%.

According to Kevin Glass, CIBC's CFO, the commercial banking units delivered exceptional performance. Loan and deposit growth are solid and well managed. But the quarter's best performer was CIBC's U.S. commercial banking and wealth management division; its profit climbed 6.2%.

With the stable quarterly earnings, CIBC has proven to all and sundry that the bank is stable as ever. The stock's 5.6% dividend yield is the highest in the banking industry.

Best in class

Enbridge, Canada's oil and gas midstream giant, gives investors an income edge. For 20 years, Enbridge has rewarded investors with annual dividend increases. Over the past decade, this energy stock has grown its dividend at an annualized rate of 12%. The dividend yield is 6.7%.

To put it mildly, a $10,000 investment in Enbridge 10 years ago could produce a total return of 1,035.55%, including reinvestment of dividends. That should silence skeptics who view North America's largest diversified energy infrastructure company as a risky investment.

Enbridge sustains the economic health of North America by delivering 25% and 20% of the region's crude oil and natural gas needs, respectively. And Enbridge will continue to provide the essential requirements of North American households and industries for decades to come.

Telecom titan

Telecom giant BCE is not a high-growth company. But because it has the best network in Canada, the company is the top telecom operator of choice. More so, the business is non-cyclical and recession-resistant. Since customers need BCE's products and services, patronage will not diminish even during hard times.

BCE has sunk in billions to acquire the vast assets it controls today. Unseating this industry leader is like reaching for the moon. As an investment option, you can decrease your portfolio risk. BCE's income is recurring, and therefore, the company will not struggle like high-growth companies. The stock's 5% yield is very safe.

Forget recession

CIBC, Enbridge, and BCE are blue-chip stocks and Dividend Aristocrats. But regardless of classifications or labels, every dollar you invest in the stocks is reasonably safe and secure. The companies are all compelling investment opportunities. You can face the recession with more confidence now.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CM (Canadian Imperial Bank of Commerce)
6. TSX:ENB (Enbridge Inc.)

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