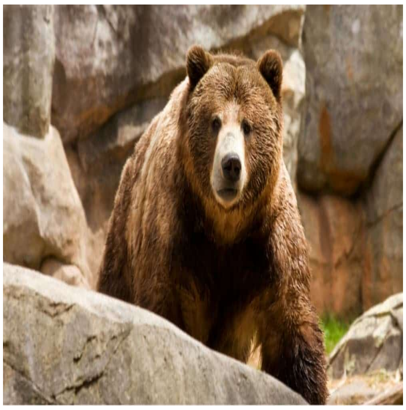

7 Canadian Dividend Stocks to Beat a Bear Market in 2020

Description

What do lower oil and natural gas prices, Brexit, and coronavirus have in common? They all have the potential to put a serious crimp in your stock portfolio this year.

A wildcard such as a rapidly spreading virus is exactly the kind of black swan that investors already eyeing mounting doubt in the markets doesn't need right now.

The coronavirus is already impacting markets, and if the disease spreads, its economic effect could be magnified. Throw in rapidly spiralling localized tensions around the world, a potentially volatile year ahead in U.S. politics, and a sea change in climate-focused asset management and the scene is set for a widespread market disruption.

Safety and growth in a bear market

Classic safe havens such as apartment REITs, consumer staples, gold, and utilities are worth stashing in a long-term portfolio right now, and should be taking the place of overvalued speculative plays and consumer discretionaries with a heavy manufacturing element.

Canadian Apartment REIT (also known as CAPREIT) is a strong example of a defensive dividend stock, focused on rental revenue with a 2.4% yield.

Fortis is also often held up as an exemplary stock to stabilize a portfolio in times of widespread economic stress, and with its standout track record of dividend payments and textbook recession-proof business model, one can see why. **Algonquin Power & Utilities** is a timely alternative, adding green economy growth to a portfolio built around safety.

Fortis is a renowned dividend warhorse, with a 3.3% yield fed by 2.5 million North American gas and electricity customers plus Caribbean diversification. Investors who are light on utilities could consider pairing with Algonquin Power & Utilities's 3.7% yield and exposure to renewable energy sources such as hydroelectric, wind, and solar.

Fairfax Financial Holdings offers exposure to financials outside of strongly cyclical bank stocks overly correlated with the economy. Prem Watsa’s risk-spreading style makes Fairfax a strong play for recessionistas looking to pack some backbone in a stock portfolio with a +2% yield fed by property and casualty insurance — a potently recession-proof play.

Waste Connections is a less-obvious stock to stash in a long-term portfolio — until one considers the necessity of its services. A small 0.7% yield offers the possibility for long-range compounding passive income in a strongly recession-proof industry, while its position as the third-largest waste and recycling company in North America makes for a wide-moat play.

For gold exposure and some passive income, plus the defensiveness of a world-class mega-miner, **Newmont Goldcorp** is a strong addition for a bear market portfolio.

A 1.28% yield backed up with a four-continent six to seven million gold ounce annual production makes Newmont the go-to for gold investment paired with passive income.

Canadian Tire is a surprisingly diversified play on a broad range of sectors with just one stock. On the face of it, Canadian Tire is a retail stock, albeit a well-established one with a reliable 3.1%-yielding dividend.

However, the corporation also covers fuel, a REIT, and banking exposure, with the latter one-fifth owned by **Scotiabank**. In short, Canadian Tire is thoroughly diversified.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

POST TAG

1. Editor's Choice

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

5. Stocks for Beginners

Tags

1. Editor's Choice

Date
2025/08/30
Date Created
2020/01/24
Author
vhetherington