



Buy the Dip! 3 Top Blue-Chip Stocks to Buy Now

Description

Hi there, Fools. I'm back to call your attention to three large-cap stocks for your watch list — or, as I like to call them, my top “forever income” assets. As a refresher, I do this because companies with a market cap of more than \$10 billion

- can [stabilize your portfolio](#) during periods of high volatility; and
- provide [steady and healthy dividends](#) year after year.

So, if you're looking to protect yourself from this recent market selloff, this is a good risk-averse place to start.

Let's get to it.

All aboard

Leading off our list is railroad giant **Canadian Pacific Railway** ([TSX:CP](#))([NYSE:CP](#)), which currently sports a market cap of \$47 billion.

For those concerned about the recent market volatility, CP's massive scale advantages (about 12,500 miles of rail network), diversified cargo, and stable nature should provide plenty of comfort. In 2019, for example, the company's EPS jumped 29% as revenue increased 7% to \$7.8 billion.

Looking ahead, management sees full-year 2020 single-digit to low double-digit adjusted EPS growth and mid-single-digit volume growth.

“Our industry-leading CP family remains focused on safely harnessing our network capacity to provide unique solutions that leverage our network strengths and our superior service,” said CEO Keith Creel. “As we head into 2020 and beyond, I'm confident we'll continue to see wins in the marketplace enabling us to continue to outpace the economy and our peers.”

CP shares trade at a P/E in the low 20s.

Presence of royalty

With a market cap of \$144 billion, banking gorilla **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) is next on our list of large caps.

Royal Bank's leadership position in several financial segments, massive scale (roughly 16 million clients), highly regulated operating environment, and stable dividend payments should help investors sleep well during this turbulent time. In the most recent quarter, EPS of \$2.40 easily topped estimates as the company's Capital Markets segment posted record earnings.

More importantly, management boosted the quarterly dividend 3% on that strength.

"We had a strong start to the year with earnings growth of 11% year over year," said President and CEO Dave McKay. "These results reflect the underlying strength of our diversified business mix, our focused strategy, and our colleagues' unwavering commitment to creating more value for clients as we position the bank for the future."

RBC shares currently offer a rather healthy dividend yield of 4.3%.

Sunny disposition

Rounding out our list is oil and gas giant **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)), which currently boasts a market cap of \$55 billion.

If you think an energy play like Suncor is too risky in this volatile environment, consider this: Suncor's highly diversified operations, rock-solid balance sheet, and high-quality assets support robust cash flows, even amid low energy prices. In the most recent quarter, for example, management hiked the dividend by an impressive 11% even as earnings missed expectations.

Moreover, management recently increased and extended its buyback program by \$2 billion, providing shareholders with extra comfort.

"Since the start of 2017, we have paid \$7.1 billion in dividends and repurchased \$6.7 billion of shares, representing over 9% of our outstanding common shares, demonstrating our commitment to shareholder returns," said President and CEO Mark Little.

Suncor shares currently boast a particularly juicy dividend yield of 5.1%.

The bottom line

There you have it, Fools: three top income stocks worth considering.

As always, they aren't formal recommendations. Instead, see them as a starting point for further research. Even the largest companies can suffer setbacks, so plenty of your own due diligence is still

required.

Fool on.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. NYSE:RY (Royal Bank of Canada)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CP (Canadian Pacific Railway)
5. TSX:RY (Royal Bank of Canada)
6. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/08/27

Date Created

2020/03/08

Author

bpacampara

default watermark

default watermark