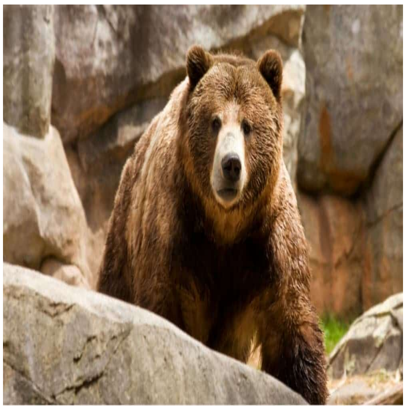

2 Top TSX Dividend Stocks to Buy for a Bear Market

Description

Buying a basketful of the top **TSX** dividend stocks is a smart play right now. Indeed, a bear market could already be underway, with sentiment taking a downward turn.

The next few months will determine whether the record bull run is finally at an end. In the meantime, getting defensive is a strong move.

Here are two top stocks to buy now as pundits turn bullish on dividend stocks.

Buying the best Canadian businesses for passive income is one thing. Buying them to hold through a potential bear market is quite another. When asset managers look for long-term buys, quality is a must. But what indicators should investors look for in a dividend stock?

Buying top TSX dividend stocks for safety

In general, there are five characteristics that make up a high quality dividend stock: value, track record, balance sheet health, outlook, and the quality of its dividend.

Other facets further delineate a defensive play, too. Investors should look for a large market share and defensive market capitalization, for instance.

Never mind the panic in the markets. **Loblaw Companies** (TSX:L) is a top **TSX** dividend stock to buy and hold. There's no need to "take an L" during a bear market. Look for the "L" on the TSX instead and buy one of Canada's most defensive stocks. While it may get overlooked, that will only add to its value. Indeed, consumer staples are a strong buy as the sell-off staggers into spring.

Why buy Loblaw? There's almost too much going for this Canadian super stock to list in one article. It's a top buy during the ongoing coronavirus sell-off for its mix of online shopping, healthcare, and groceries exposure. Loblaw has partnered with Instacart, an Amazon competitor.

The groceries giant also commands medical access through Shoppers Drug Mart. Then you have the classic defensive play of consumer staples.

The stock has traded flat since the TSX sell-off began, with its peaks and troughs evening out at close of play Monday. Loblaws is forecast to yield 56% total returns by mid-decade. In terms of market share, Loblaw is Canada's largest food retailer and one of its most defensive dividend stocks. Its $26 billion market capitalization makes it a solidly defensive play.

Lundin Mining (TSX:LUN) is another key defensive play. Its $4.7 billion market capitalization signifies a dependably large outfit. The stock is down 16% in the TSX sell-off, making for a great value play. Dividend stock investors should consider buying now to lock in a higher yield of 2.47%.

Lundin is a key buy for copper, nickel, and zinc markets, plus exposure to a lesser gold, lead, and silver. The main focus is on copper, which composes around two-thirds of Lundin's sales. Its business is geographically divers, too, covering North and South America, Sweden, and Portugal.

The bottom line

Loblaw packs consumer staples safety, pharma, apparel, and even banking in a single play. Pair this with the equally diversified Lundin Mining and you have two heavy-hitting Canadian stocks.

This tag team will cover a portfolio for food and gold, while adding the high growth of copper.

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