Bear Market: 2 Top Dividend Stocks to Buy on the Dip

Description

The **TSX Index, Dow Jones**, and **S&P 500** all entered an official bear market this week. This sell-off has been one of the most rapid declines in history, giving investors very little time to react.

European indices were up sharply at the time of writing, and futures indicate that investors should expect a significant uptick in U.S. and Canadian markets. The U.S. Federal Reserve and Bank of Canada have vowed to provide more liquidity for markets to stem this ferocious downturn.

It is impossible to predict when this period of volatility will subside. Cases of COVID-19 are increasing rapidly in North America, but the full impact of this pandemic is impossible to predict. Markets are pricing in what is expected to be a sharp downturn in the broader economy as governments look to curb social gathering in all forms.

Today I want to look at two dividend heavyweights that look like bargains right now. These stocks possess wide moats. This means investors can count on their stability even in a potential downturn.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is the largest energy infrastructure company in North America. Shares of Enbridge have plunged 35% over the past month as of the March 12 close. The company has succumbed to the broader sell-off and to the substantial volatility in the energy sector that has been brought about by the Russia-Saudi price war.

The energy giant released its fourth-quarter and full-year 2019 results on February 14. Enbridge achieved full-year GAAP earnings of $5.32 billion, or $2.64 per share, compared with earnings of $2.51 billion, or $1.46, in the prior year. Distributable cash flow (DCF) increased to $9.22 billion over $7.61 billion for the full year in 2018.

Enbridge last announced an increase in its quarterly dividend to $0.81 per share. This represents a monster 9% yield at the time of writing. Shares have a favourable price-to-earnings ratio of 13 and a price-to-book value of 1.2. Enbridge stock last had a relative strength index reading of 17, which puts it in technically oversold territory.

Genworth MI Canada

Housing was on the mend before this massive pullback in the markets. Investors will have to wait to see how the COVID-19 outbreak impacts real estate sales. Industry experts appear confident that lower rates and slightly softer regulations will continue to have a very positive impact going forward. **Genworth MI Canada** (TSX:MIC) is poised to benefit as Canada's largest private residential mortgage insurer.

Shares of Genworth have fallen 28% month over month. The stock is still up 16% year over year. In its fourth-quarter and full-year 2019 report, Genworth posted a 17% increase in new insurance written from transactional insurance. This increase was powered by a larger transactional mortgage originations market. Net income rose 35% to $108 million compared to Q4 2018.

Genworth stock currently possesses a favourable P/E ratio of 8 and a P/B value of 0.8. The stock last paid out a quarterly dividend of $0.54 per share, representing a strong 5.4% yield.

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