2 Dividend Stocks to Buy During a Crash

Description

There is a massive discount sale on the market right now. Global fears around the coronavirus and its potential impact on global supply routes have wreaked havoc on the market. As a result, some of the most well-known and defensive stocks to buy are on sale. With the market edging on fear and panic, now is a great time to be greedy and buy. Here are two well-known dividend stocks to consider being greedy with now.

Earn a passive income from the energy sector

When it comes to generating passive income, there are few businesses that can compare to **Enbridge** (TSX:ENB)(NYSE:ENB). The energy infrastructure behemoth has a massive pipeline network that traverses North America. In terms of volume, Enbridge provides the U.S. with two-thirds of Canadian crude exports. The company also provides one-quarter of all the natural gas consumed in the U.S.

So, how does that business model work out now that oil prices have bottomed out? Surprisingly well. Enbridge charges customers to use its pipeline network based on the *volume* and not the price of the commodity. In other words, if oil prices keep declining, Enbridge will continue to generate a stable and recurring source of revenue.

That emphasis on distribution rather than production means that Enbridge can offer a tasty quarterly dividend to shareholders. The dividend currently amounts to a whopping 9.03% yield thanks to the recent market pullback. Additionally, Enbridge has provided annual upticks to the dividend for years, including an impressive 9% hike paid out last month.

This telecom giant has paid dividends for a century

BCE (TSX:BCE)(NYSE:NCE) remains a top-pick for long-term, income-seeking investors looking for a dividend stock in a defensive segment of the market. While BCE's core subscription services blanket Canada in coverage, it's the company's wireless segment that deserves a closer look.

Mobile device adoption and use have exploded in recent years. In fact, over the past decade smartphones all but have eliminated dozens of standalone devices such as alarm clocks and calculators. Additionally, new devices sporting new functionality are released annually, leading to additional uses for those devices. In short, with each new use for a smartphone, there is an equally new data-hungry app. As the purveyor of that data, BCE stands to benefit through increased data usage.

By way of example, in the most recent quarter, BCE realized over 123,000 new net wireless subscribers. That growth was instrumental in BCE posting gains of 3.6% in revenue growth and 7.6% in adjusted EBITDA when compared with last year. Overall BCE earned $723 million in the most recent quarter, reflecting a solid 12.3% gain over the prior period.

In terms of a dividend, BCE offers a quarterly payout that works out to a handsome 6.57% yield, solidifying the stock as a top pick for income-seeking investors. Prospective investors should also take note of BCE’s history as a dividend pick; it spans well over a century.

Final thoughts

Both Enbridge and BCE represent great long-term investment options that have been absolutely hammered by the market. Prospective investors should look at the potential that those stocks offer, rather than how much the stock has dropped. In BCE, investors will find a defensive investment that is well established with over a century of providing handsome dividends. With Enbridge, investors will find a lucrative toll-road network that will continue to generate revenue irrespective of how the market fares.

In other words, buy both these dividend stocks at their current discounted rate and hold them.

CATEGORY

1. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
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Author
dafxentiou