Dividend Aristocrat Stocks to Buy Right Now

**Description**

Volatility has reigned supreme and for the first time in years, value investors have something to cheer about. The downtrend has led to plenty of buying opportunities and there are many Dividend Aristocrats now trading near 52-week lows.



It is time for investors to deploy their cash. Don't miss out on what may turn out to be the opportunity of a lifetime.

## A banking Dividend Aristocrat

Canada's Big Banks have been some of the more reliable dividend-paying stocks in the country. Having paid out uninterrupted dividends for more than a century, it is a great place to park your cash. Since this crisis began, no bank stock has been hit harder than the **Bank of Montreal** (TSX:BMO)( NYSE:BMO).

Year to date, the Bank of Montreal's stock has lost approximately 25% of its value. This has in effect, wiped out all of the capital gains from the past three years. It is now trading in line with levels witnessed in 2016.

It proved to be a buying opportunity then and it is one now. Trading at only 8.7 times earnings, this Dividend Aristocrat hasn't been this cheap since the financial crisis. The current yield of 5.80% is also among the highest in history.

Are you wondering about a good time to buy Canada's banks? The answer is now.

## Canada's leading railway

In such times, it is best to invest in companies who have a wide moat. There is perhaps no company with a wider moat than **Canadian National Railway** (TSX:CNR)(NYSE:CNI). It forms a duopoly with CP Rail, and owns Canada's largest network of tracks.

Simply put, CN Rail isn't going anywhere. Neither is the dividend. Rail is the most efficient way of transporting goods across the country. Although earnings may be pressured in the short-term, it will be one of the first to benefit from a rebounding economy.

Amid the carnage, this Dividend Aristocrat has held up better than most. The stock has lost approximately 7% of its value, but it is now trading at 52-week lows. The company's yield has also topped 2% for only the second time in history. The other occasion? During the financial crisis.

Whenever CN Rail's yield tops 1.80%, it's time to look at adding to, or starting a position.

## Canada's largest telecom

In keeping with the theme of significant moats, Canada's telecommunications industry is dominated by only three players. Canada's largest is **BCE** (TSX:BCE)(NYSE:BCE), enabling it to preserve capital appreciation more than most.



In 2019, BCE was a laggard and ended the year relatively flat. In 2020, it is bucking the trend and has managed to eke out a 0.47% gain. This is the perfect stock to own in times of volatility.

Another positive, the Bank of Canada rate cut is a tailwind for the company. As BCE is building out 5G and has significant capital expenditures, lower interest rates will reduce the cost of debt.

This will help ease margins and help the company maintain and grow the dividend. At a yield of 5.51%, it makes for an attractive income investment as investors wait out the storm.

Worried about the Fed's announcement that telecoms are expected to cut bills by 25% in the next two years? Don't be. As many have pointed out, there are many loopholes in this directive, and it's expected to have limited impact on telecoms.

BCE is ultimately well positioned to maintain its Dividend Aristocrat status.

**CATEGORY**

1. Bank Stocks
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1. NYSE:BCE (BCE Inc.)
2. NYSE:BMO (Bank of Montreal)
3. NYSE:CNI (Canadian National Railway Company)
4. TSX:BCE (BCE Inc.)
5. TSX:BMO (Bank Of Montreal)

6. TSX:CNR (Canadian National Railway Company)

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