2 Stocks That Will Still Bring in Cash During a Crash

Description

Before you get too excited, the stocks I'm about to mention aren't some miraculous performers that have managed to do well in this terrible market. In fact, these stocks have fallen by more than half during this crisis, and could still fall even further. So why on earth would I be recommending them? One reason and one reason only: dividends.

Now is the perfect time to pick up some dividend super performers to bring in cash while your portfolio takes a hit. And while these stocks might not exactly be doing well now, that's not to say they won't in the fairly near future. After all, while what goes up must come down, when it comes to stocks what goes down usually comes right back up again. So let's take a look at two great options.

Pembina Pipeline

If you're looking for a stock that has a promising future after this market crash, and strong dividends to boot, consider **Pembina Pipeline Corp.** (TSX:PPL)(NYSE:PBA). Pembina has fallen by about 50% since February due to the market crash, and could absolutely fall even further due to the recent oil and gas crisis coming from The Organization of the Petroleum Exporting Countries (OPEC).

However, if you look at the company itself, it still looks like a solid choice. Pembina offers investors long-term stability if you're willing to buy and wait. This stability comes from its expansion program, where the company has grown its portfolio to increase guaranteed long-term contracts to make up roughly 85% of its business. But it still isn't done, as the company still has $5.6 billion in remaining projects that should be completed by 2023. In fact, its Peace pipeline expansion projects were so successful the company will be adding a Phase 6, 7, and 8 to its expansion project to bring in more cash flow.

What this means is not only is Pembina's dividend safe, it's likely to increase substantially to reward investors for their patience. With a dividend yield of 7.74% at the time of writing, and a share price of $27.40, you could make a lot with this one stock. In fact, spending $10,000 back in February would have got you about 189 shares, to bring in $476 per year, or about $40 per month when dividends are distributed. Today, that same $10,000 would give you 370 shares and $933 per year, or about $78 per month.

Vermilion

If you're looking for a really high dividend yield, then **Vermilion Energy Inc.** (TSX:VET)(NYSE:VET) should be your top choice. While Vermilion might not be the best energy stock out there, it certainly has the highest yield available. The stock hit about $35 per share back in April 2019, and since then has sunk to where it is now after the crash at about $4.75 as of writing. So while back then the dividend yield looked good, today it looks great.

That yield is now at 54.33%. You read that right. The company had been trying to offer a dividend that would reflect where it hopes to be in the next few years, at the same level as Pembina, for example. It has been expanding its operations, and once oil rebounds the stock should soar back up again.

But even if it doesn't, you could simply buy up Vermilion to bring in substantial cash for the short term. Again, if you bought back in April 2019, $10,000 would have given you 286 shares and $104 annually, or $8.67 handed out monthly. Today, that same cash would bring in 2,105 shares and $5,809 annually, or $484 per month!

However, the company recently announced it would slash its dividend in half due to poor markets, bringing it to $0.115 per share per month from $0.23. That would bring in $242 per month and $2,904 per year. Still a substantial amount of cash, and likely to pop back up again once the market improves.

CATEGORY

1. Energy Stocks
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TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:VET (Vermilion Energy)
3. TSX:PPL (Pembina Pipeline Corporation)
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