



2 TSX Dividend Aristocrats Stocks to Buy

Description

Each day, it's looking more and more like our economy will enter a recession. Even before the coronavirus was a concern for so many countries around the world, economies were already starting to become vulnerable.

An extended period of growth fuelled by massive stimulus packages after the financial crisis coupled with an extended period of low interest rates helped the economy to grow and the stock market to appreciate considerably over the last decade.

It also left the economy in an overexposed state. A natural economic decline was due, and it looks like the pandemic we find ourselves in may be what finally pushes us over the top.

Because it's still early and we don't yet know what this [recession](#) will look like or how it will play out, there are still a number of unknowns investors must navigate.

What we do know is that cash is king in recessions in addition to predictable earnings. Because of this, some of the best investments you can own through a recession are high-quality, dividend-paying stocks, like the ones you'd find on the Canadian Dividend Aristocrats list.

Two of the best aristocrats to consider buying today are **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) and **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)).

Energy aristocrat

Pembina is an energy infrastructure company and a highly reliable company for investors to own. The company and its assets are crucial to the western Canadian energy sector.

That sector is being decimated in the markets, as oil prices crash temporarily. I say temporarily because oil prices can't last this low for long, as the price is not economically viable for anyone in the world to make a profit.

However, the rapid sell-off has created a great opportunity for investors, so when markets begin to rebound, Pembina stock will thrive.

The company has already taken steps to ensure its stability long term. It announced Wednesday that it's deferring roughly 50% of its 2020 capital expenditures.

It also reiterated the strength of its dividend. The confidence in the dividend stems from the fact that it's 100% covered by fee-based cash flows and is not at all exposed to commodity prices.

The dividend is currently yielding more than 15.2% as of Wednesday's close. Plus, the stock is valued at just 6.2 times earnings, one of the best deals on the TSX.

Real estate aristocrat

Canadian Apartment Properties is one of the leading residential REITs in Canada. Residential real estate is one of the most favourable industries you can own in a recession; for tenants, rent is probably the first bill they pay every month.

Canadian Apartment Properties owns assets across Canada. The assets include suites in the buildings it owns as well as sites in its manufactured home communities.

For the last few years, the company has been a great investment due to its impressive growth. Now, however, investors will want to own Canadian Apartment Properties REIT for its defensive attributes.

The stock had a major drop on Wednesday, only continuing to get cheaper for investors. It's now down roughly 25% from where it was just two weeks ago.

The lower price is giving the REIT major value and has increased the dividend yield to more than 3%.

Bottom line

Both companies present major value opportunities in addition to being great long-term businesses to own. Income-generating stocks will continue to be some of the best-performing stocks over the coming months. And of those stocks, the Dividend Aristocrats are the best.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:PPL (Pembina Pipeline Corporation)

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