TSX Dividend Stocks: Buy Now for Massive “Stock Market Crash” Yields

Description

It’s easy to see why some pundits might be calling for an end-of-year rally. On the one hand, it’s wishful thinking. This is prevalent among bullish investors who see an end to the coronavirus panic this side of Christmas. On the other hand, a rally simply makes sense. The economy will course-correct once the virus has peaked. In the meantime, **TSX** dividend stocks are offering enormous yields.

On the other side of the border, **Goldman Sachs** is telling its customers that the **S&P 500** could flatten out at 2,000 by June. If so, that would represent a 41% nosedive from the peak of the bull run only a few weeks ago. The U.S. moneylender also predicts a stock market rally before December. Could the TSX follow suit? Throw in a Santa Rally around the same time, and you could have a market recovery for the holidays.

Now is the time to lock in higher yields

Enbridge is a buy for its yield, currently fluctuating between 7.5% and 9%. It’s a buy for its wide economic moat. And it’s a buy for a potential oil rally. It’s not a buy for the overall oil outlook in the long term, though. It’s also not a buy for its nerve-wracking Mainline network wrangles and pipeline holdups. On balance, though, Enbridge is still one of the best Canadian dividend stocks.

Other oil stocks are also so down in the dumps that their yields are massive. Consider buying shares in **TORC Oil & Gas** if you can see a brighter future for fossil fuels. Investors will lock in an incredible 25% dividend yield if they buy now. The casual TSX investor may want to stock with a bigger name like Enbridge, however, for the safety of a wide-moat business.

Only buy the safest TSX dividend stocks

Indeed, looking across the border (that’s the most that one can do right now), **Ford** has suspended its dividend. So, choose wisely if it’s passive income you’re after. This is not the time for manufacturing-heavy names. Think big-name energy production, food retail, and insurance.

While banks are a favourite play for safe TSX dividend stocks, this will likely be a tough year for moneylenders. Yes, banks have protection at the highest levels. But for peace of mind, only the very largest of them are worth a look.

TD Bank's 5.85% dividend yield looks like the best of the bunch. That payout is covered by U.S. revenues as well. And the last couple of weeks have shown how well the States is treating its moneylenders. TD Bank is overall positive by a few points this week, showing how well investors value this Big Five stock.

The bottom line

Investors in the best TSX dividend stocks can expect to see wild fluctuations this year. It's impossible to time the bottom, though. That's why investors should buy smaller amounts of shares over a longer period of time. The current market could be with us for a while. Shareholders should consider adding to their blue-chip dividend portfolios on weakness and holding through rallies.

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