COVID-19 Crash: 2 Must-Buy Dividend Aristocrat Stocks

Description

The COVID-19 global pandemic is leaving stock markets in a state of pandemonium. The oil price war is not helping the economy either. The pressure on interest rates as a result of the coronavirus-fueled recession is also worsening. Most safe-haven assets like bonds, REITs, and gold are also suffering owing to liquidity drying up.

It almost seems like there are fewer places to keep your capital safe other than in the form of cold and hard cash. I would suggest moving away from storing your money in the form of currency. If you do have some money and want a better long-term outlook, I have a couple of suggestions.

Today I'm going to discuss two Canadian Dividend Aristocrats you might want to look at closely as COVID-19 ravages the stock markets.

Fortify your capital with Fortis

Fortis Inc. (TSX:FTS)(NYSE:FTS) is always going to be a go-to defensive asset for many Canadian investors. The utility sector is something you can rely on when times get tough. As a crisis hits, everything is likely to go down – even the likes of Fortis.

The difference with utility sector stocks like Fortis is the ability to fight back the effects of a recession. People still need to use their utilities in crises. The Fortis stock can maintain a manageable cash flow going and reward its investors with dividends.

The regulated cash flow streams that Fortis has set up for itself are unmatchable by any other company across various sectors. Fortis is trading for $49.38 at writing — down more than 8% from the start of the year. While it might take some time, Fortis shares are likely to bounce back.

It could offer you a safe space to park some of your capital as you hunker down during this market meltdown.

BCE stock

BCE (TSX:BCE)(NYSE:BCE) is the leading telecommunications company in Canada. It has mobile and wireline networks servicing Canadians all over the country and a sound infrastructure that provides telephone, TV, internet, and wireless users with top-notch broadband capability.

The company is largely successful, and over the years it has continually invested billions in improving its infrastructure. The company's latest endeavors include the fiber-to-premises initiative that offers fiber optic connectivity directly to its customers. The company also is reaching out into the 5G sphere that will be the next big thing.

The coronavirus pandemic is stepping up the pressure BCE is under to take the mobile phone bills down a notch. While it might lose a fair share of its profitability, BCE is still likely to fare better than most other companies during a recession. No matter how bad things get, people do need to communicate and get access to information across the internet.

BCE is trading for $54.60 per share — down by almost 8.5% year to date at writing. The stock will likely climb back. It could be another safe investment in times like these.

Foolish takeaway

Many investors might be convinced that holding on to cash is the best thing you can do at this point. I still feel strongly that holding high-quality dividend-paying stocks is a better option. Invest in equities trading in sectors relatively insulated during a recession.

To this end, I think Fortis and BCE could be worth investing in to protect your capital.

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