3 Dividend Stocks to Wait Out the Crash

Description

Fear. It's the number one reason for market fluctuation these days among everyday investors. As the stock market continues to plummet and then rebound only to drop again, investors continue to be too scared to invest. But if there's a one-word reason for the fall, there's also a one-word answer for the solution: dividend.

Stocks are trading at lows not witnessed in years in some cases, with a few trading at prices not seen in months. These top stocks are now ripe for the picking for investors who are looking to keep bringing in cash even during a downturn.

CP Railway: a growth dividend

One of the best stocks an investor can buy right now is **Canadian Pacific Railway Ltd.** (TSX:CP)(NYSE:CP). While CP may have fallen, it's already gone back up to November 2019 share prices. That's because the stock has a strong history of growth, even during tough times.

As well, it's also completed its reinvestment into infrastructure and is cutting costs to bring in as much cash as possible.

Then there's the company's dividend. CP offers a super stable dividend, with payouts every quarter. Right now that dividend sits at 1.13%, which doesn't sound like much until you see that it comes out to $3.32 per share per year.

That dividend has increased 137% by in the last five years for an average of 27% per year, with analysts expecting further growth for long-term investors.

Nutrien: an explosive option

A stock that has some super strong value right now is **Nutrien Ltd.** (TSX:NTR)(NYSE:NTR). The world's largest crop nutrient company is still in growth mode, making acquisitions to keep this top spot.

Yet the company is still so new that many investors don't see the future potential of a stock like Nutrien.

As the world's population grows, there will be less land to develop, and Nutrien will be needed to provide nutrients for the farm land currently available. And as of now, the company has practically zero competition on this huge market.

Not only is the stock at almost half of its value right now, but its dividend makes it a no-brainer. Right now Nutrien offers a 5.29% dividend yield of $2.39 per share per year. That dividend is likely to see meteoric rise when the stock reaches its fair value price.

Pembina Pipeline: long and strong

Another stock well-below its fair value is **Pembina Pipeline Ltd.** (TSX:PPL)(NYSE:PBA). Pembina has been unnecessarily sunk by the recent economic downturn. The oil and gas industry had already been hit hard, but then Saudi Arabia and Russia both announced the countries would continue – even increase – oil production.

But this just proves that companies like Pembina are needed to create and expand growth projects. Canada needs pipelines — and Pembina is building them.

When all is said and done, the company will have created a number of new pipelines to end the oil glut in Canada. All of these projects are already secured and ready to go as soon as the company gets the green light.

As for a dividend, Pembina is a dividend superstar offering a monthly dividend yield of a whopping 10.44% at the time of writing. That's a yield of $2.52 per share per year as of writing, and has been increased 40% in the last five years.

The company's long-term contracts mean that it will continue growing that dividend by 8% to 10% for the foreseeable future, making this stock trading at half its fair value a screaming buy.

CATEGORY

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TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. NYSE:NTR (Nutrien)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. TSX:CP (Canadian Pacific Railway)
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