Top Canadian Dividend Stocks to Hedge a Market Crash

Description

Even if markets have exhibited a sharp bounce back in the last few weeks, investors should maintain their exposure to defensive stocks. Dividend stocks with cash flow visibility would be safe in the current broad market uncertainty.

Instead of focusing on high yields, investors should look for stocks that pay consistent dividends and those that can survive these harsh times.

The two **TSX** stocks that I'm going to cover here have stable cash flows and ultimately stable dividend profiles. Along with a source of passive income, these dividend stocks offer handsome gain potential as well.

Thus, investors can expect robust total returns from these two defensive stocks over the long term.

Top TSX dividend stock: Fair yield and superior growth potential

Telecom is a recession-proof industry. Thus, I would like investors to consider the second-biggest telecom company **Rogers Communications** (TSX:RCI.B)(NYSE:RCI) amid this broad market volatility.

Top dividend stock Rogers offers a yield of 3.5% at the moment, the least among peers **BCE** and **Telus** . However, Rogers stands tall among peers on several other fronts.

It spearheads the three in terms of the number of subscribers. It has shown a steady increase in its revenues as well as earnings in the last few years, with consistent additions of subscribers. Rogers is also notably ahead of peers in rolling out 5G in the country.

Rogers's Q1 numbers came out on April 22, which might have somewhat deterred investors. Its net income came in at $367 million — a decline of almost 10% year over year.

Over the long term, I expect Rogers will not only continue to pay consistently growing dividends, but its superior earnings growth will drive the stock notably higher.

It is currently trading 25% lower against its 52-week high last year. From the valuation standpoint, the stock is trading at a discount compared to peers as well as against its historical average.

Rogers is an attractive pick for long-term investors with its huge growth potential along with a stable dividend profile.

Stable earnings and dividends

Top regulated utility stock **Emera** (TSX:EMA) would be another safe pick amid this market uncertainty. Regulated utilities usually pay stable dividends as they generate steady cash flows. Emera generates approximately two-thirds of its total earnings from the U.S. operations.

Emera stock currently yields 4.5% at the moment. The company plans to increase its dividends by 4-5% per year through 2022, which is in line with the industry average.

In the last five years, Emera increased its dividends by a handsome 10% compounded annually. It has been paying dividends regularly since 1992.

The earnings and payout visibility make Emera a compelling dividend stock. Even in case of an economic downturn, its earnings and dividends will remain safe.

Emera stock has shown a sharp recovery recently and has surged almost 30% since its 52-week low last month. Investors generally shun utility stocks due to their boring nature of business and slow stock movements. However, the stability and safety offered by utilities are unmatchable, particularly in these uncertain markets.

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3. TSX:RCI.B (Rogers Communications Inc.)

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