



Market Crash 2020: 2 Stocks That Are Still Dividend Aristocrats

Description

Canadian Dividend Aristocrats are considered some of the most reliable income-generating assets on the TSX Index. The stocks have a commitment to growing the dividend payouts to shareholders with dividend-growth streaks of at least five years.

Unfortunately, some of the best dividend streaks in the country are in peril amid the [COVID-19 lockdown](#). The harsh economic conditions have seen **Gildan Activewear's** nine-year streak come to an end as well as the 11-year dividend-growth streak for **Inter Pipeline**.

I am going to discuss **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) stock and **National Bank of Canada** ([TSX:NA](#)) stock. The two financial institutions have managed to retain Dividend Aristocrat status, despite the turbulent economic situation.

Big Five bank

Bank of Montreal is among the most significant financial institutions in Canada that offers services to individual and commercial clients. It is also among the Canadian banks with a strong foothold in the U.S. retail banking sector. It enjoys more geographic diversity than some of its peers and a relative stability in its cash flow.

Since it is a large Canadian bank, it should not come as a surprise that it remains a Dividend Aristocrat. BMO has a reputation for stable revenue and dependable dividends. It is a well-capitalized stock with a robust balance sheet, so it should have the kind of cash flow to see it through the near-term turbulence in the market.

BMO has rarely faced a lot of issues in the past. It has relatively healthy books and the support of the government. At writing, the stock is down 35% from its share price at the start of 2020, and it has an inflated 6.51% dividend yield. It currently retains its status as a Canadian Dividend Aristocrat.

National Bank

National Bank of Canada is a major bank. It is much smaller than the likes of BMO in terms of its market capitalization, but it is still the sixth-largest bank in Canada. Like most of the Canadian banking stocks, National Bank also sees itself beaten down due to the current economic circumstances.

National Bank is due to present its second-quarter 2020 results on May 26, 2020. In its previous quarter, the bank's net income rose by 10.5% to \$610 million. All of its business segments, from wealth management to personal banking, commercial banking, and global markets, posted revenue growth.

The management has said that the upcoming quarterly earnings report will show the impact of the COVID-19 lockdown. The sixth-largest bank has put aside \$89 million for credit losses in the first quarter of 2020. At writing, the stock is trading for \$53.25 per share. It is down 25.65% from its share price at the start of the year, and it has an inflated 5.33% dividend yield.

Ultimately, National Bank is a smaller stock than BMO, but it is still a Dividend Aristocrat.

Foolish takeaway

With several major stocks losing the status of being Dividend Aristocrats, BMO, and National Bank of Canada still retain dividend-growth streaks. However, uncertainty reigns supreme with no visible end to the novel coronavirus pandemic.

Until the economy recovers in a meaningful way, it is unsure whether these two stocks can retain the Dividend Aristocrat status. The [outlook for all Canadian stocks looks bearish](#) in terms of dividend growth. We might see more cuts and suspensions among Canadian Dividend Aristocrats on the way.

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