4 Safe Dividend Stocks for Canadian Investors

Description

Safe investments are elusive to say the least, especially during a pandemic. The trouble with a situation that nobody has faced before is that it's too easy to pretend it isn't happening. Entire industries riddled with risk have been climbing steadily skyward. An illogical buy-everything contrarianism has been overheating the markets ever since the March selloff. There's only one conclusion: another market crash is coming.

Telecoms and tech make for strong stocks

Telus is a play for straightforward telco exposure with none of the bells and whistles. While its competitors offer strong media access, Telco sidesteps all of this. And it might be the safer stock because of it. Consider the disruption tearing up the content streaming space, for instance.

Telus commands a third of the telecom market share, making it a wide-moat pick with a decent 5% dividend yield. As the pandemic continues, investors should expect telecoms to remain dependably steady.

The high momentum tech sector is not without its hidden safe stocks, either. **Open Text** is that rare find – a strong tech stock that also pays a dividend. Even rarer – this name is defensive. Information management has become hot property, and this name dominates the field.

It's extremely diversified, which means that a shareholder will have their risk of exposure spread thinly across a portfolio. Looking at it another way, Open Text's 1.6% dividend yield is fed by multiple revenue streams.

Some infrastructure stocks are solid right now

Transalta Renewables is a strong pick for investors getting out of oil and into green power stocks. A rich 6.6% dividend yield is stabilized by two distinct revenue sources: Canadian and international. Its domestic operations cover wind, hydroelectric, and gas. TransAlta has wind and solar exposure in the

U.S. with access to the Australian energy market. Attractive valuation and a profitable outlook rounds out a solid buy signal.

Finning International (TSX:FTT) taps into the construction boom that could take Canada by storm post-recession. This is one for the V-shaped recovery bulls. However, Finning is also a play on the evergreen infrastructure space. Bear in mind that construction is one of the first industries to get back to work mid-pandemic. This makes Finning a surprise defensive pick.

Investors not *au fai*t with Finning may know the company better by a closely related name: **Caterpillar**. Finning is the global leader in Caterpillar sales, rentals, parts and servicing. The ubiquity of Caterpillar equipment in mining, construction, materials, forestry and power generation makes for a surprisingly diversified play. Its 4.4% dividend yield is therefore secured by income streams generated across multiple sectors.

All four of these stocks are classic Dividend Aristocrats with steady payment growth highlighted by impressive track records. Adding all four names to a portfolio will bring ready diversification and a boost of reliable passive income.

Investors may want to build positions over the coming months by snapping up fewer shares at a higher frequency as markets deteriorate.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. TSX:FTT (Finning International Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

Date
2025/08/16

Date Created
2020/06/24
Author
vhetherington