Ride Out the Recession With These 2 Stocks

Description

If you're worried about the recession and the impact it'll have on your portfolio, now's the time to be loading up on safe, blue-chip dividend stocks that can help provide you with stability during this volatile period. The two stocks listed below will provide you with limited volatility and attractive payouts that you can hold not just during the COVID-19 pandemic but even after it's over.

Hydro One

Hydro One Limited (TSX:H) is about the closest thing you can find to investing in the government on the TSX. The utility company's based in Ontario and its provincial government is a key shareholder of the company. In the past, that's been a bit of a negative for Hydro One as it's gotten in the way of the stock's growth opportunities.

But from a stability standpoint, it could be a great feature; it's not going to be a company that takes on significant risks. The stock averages a low beta of just 0.2, which is what risk-averse investors want to see: minimal volatility. The stock's been relatively stable and it's up around 2% year to date while the TSX is in the negative.

The stock recently raised its dividend payments from $0.2415 to $0.2536. Annually, investors are now earning around 4% per year in dividends. That's a decent payout these days, especially as other companies are slashing or suspending their dividend payments. Hydro One's a good, stable stock investors can just buy and forget about and hang on to during this pandemic.

Rogers

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is another solid dividend stock that pays a good yield and that isn't very volatile. With a beta of closer to 0.3, it's only marginally more volatile than Hydro One, but Rogers stock is still fairly tame compared to the markets.

Shares of Rogers haven't done as well as Hydro One as year to date the stock's down around 13%. But grabbing shares of Rogers at a reduced price could make it an even more appealing investment. At a price-to-earnings multiple of just 14, investors aren't paying much of a premium to own one of the top telecom stocks in the country. Telecom is a great place to invest in during the pandemic because whether people are staying indoors or out and about, they can remain connected through their mobile phones and the Internet.

The stock currently pays a quarterly dividend of $0.5, which allows investors today to earn a yield of about 3.6% — just a bit less than Hydro One. Rogers has increased its dividend payments over the years, but the rate hikes haven't been consistent and it's been more than a year since the company bumped up the payouts.

Bottom line

Both Rogers and Hydro One are attractive dividend stocks to hold right now. They provide day-to-day essentials to consumers and their financials will be much stronger than other companies that the pandemic will more adversely affect. But whether you need a safe place to park your money or if you're looking for a stock to buy and forget, Hydro One and Rogers can be great options to accomplish either goal.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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