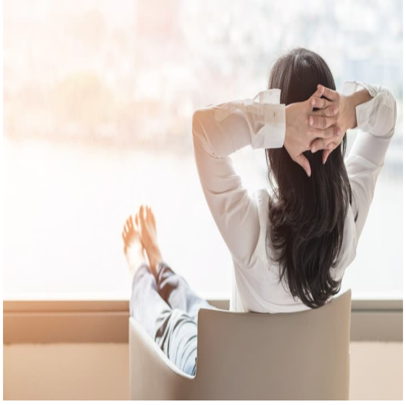

Got $5,000? 3 Dividend Stocks to Hold Forever

Description

Earlier this week, I'd discussed whether investors should be worried about a market crash this summer. Warren Buffett advocates value investing. Discounts are hard to come by on the **S&P/TSX Composite Index** right now. This should inspire Canadians to go on the defensive. Today, I want to look at three highly dependable dividend stocks.

Why you can trust this top dividend stock

Garbage pick-up is one of those essential services that many of us take for granted. That won't happen anymore when you hold **Waste Connections** (TSX:WCN)(NYSE:WCN) in your portfolio. The company provides waste collection, transfer, disposal, and recycling services in the United States and Canada. In late June, I'd suggested that Canadians should scoop up this dividend stock.

Shares of Waste Connections have climbed 14% in 2020 as of close on July 15. The stock is up 7.3% from the prior year. In Q1 2020, the company reported revenue of $1.35 billion – up 8.7% from the previous year. It also reported 5.2% in price and volume growth. Waste Connections managed to exceed its first quarter outlook for adjusted EBITDA in the face of the COVID-19 crisis.

Unfortunately, Waste Connections is a pricey pick right now. The stock possesses a price-to-earnings ratio of 44 and a price-to-book value of 3.9. Value investors may want to wait for a more attractive entry point this year.

The auto sector is poised for a rebound in the second half of 2020

Auto sales and manufacturing activity has plunged during the COVID-19 pandemic. However, the economic reopening should provide some relief in the second half of 2020. **Linamar** (TSX:LNR) is the second-largest auto parts manufacturer in Canada, behind **Magna International**. Shares of Linamar have dropped 20% so far this year. This dividend stock looks like a great value pick today.

In the first quarter of 2020, Linamar saw net earnings drop 40.7% year-over-year to $55.7 million. Meanwhile, overall sales dropped 22% to $1.09 billion. Linamar is now laser-focused on recovery. Liquidity also saw a boost in Q1 2020.

The dividend stock last had a P/E ratio of 6.7 and a P/B value of 0.6, putting Linamar in very attractive value territory. Linamar last paid out a quarterly dividend of $0.06 per share, which represents a modest 0.6% yield.

One more stable dividend stock to hold

Canadian Pacific Railway (TSX:CP)(NYSE:CP) owns and operates a transcontinental freight railway in Canada and the United States. Many industries have ground to a halt due to the COVID-19 pandemic. Fortunately, railways are essential services that have guaranteed the flow of goods across North America. This has made CP Rail an attractive target as a defensive dividend stock. Its shares have climbed 8.6% in 2020 as of close on July 15.

Investors can expect to see its second quarter 2020 results on July 22. The stock last possessed a solid P/E ratio of 20 and a high P/B value of 6.9. CP Rail last paid out a quarterly dividend of $0.83 per share.

This represents a 0.9% yield. The continued flow of goods is one of the few things investors can count on in this time of crisis. That makes CP Rail a great target in the summer.

CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:CP (Canadian Pacific Railway)
4. TSX:LNR (Linamar Corporation)
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