CRA's CERB Will End: Get Your Monthly Income From These Dividend Stocks

Description

The CRA's CERB (Canada Emergency Response Benefit) did its job amid this unprecedented unemployment crisis. As the country inches closer to normalcy, the CERB program is going to be replaced with a beefed-up version of employment insurance (EI).

No disruptions to benefits are to be expected for Canadians who've lost their jobs as a result of the COVID-19 pandemic. Regardless, every Canadian who's strapped for cash should look to invest their excess savings in dividend stocks to give themselves more monthly income during these tough times.

If you're a saver who's fed up with near-zero interest rates and would rather put it to work in income-producing assets, you may want to consider scooping up the following hard-hit dividend stocks while they're out of favour.

BCE: A steady dividend payer for users of the CRA's CERB

BCE (TSX:BCE)(NYSE:BCE) is by no means a timely opportunity today. And as much as I hate to recommend it given its meagre long-term growth trajectory relative to its peers in the telecom scene, I must say that it's tough to match the size and strength of BCE's dividend.

Shares currently sport a 5.9%-yield, and with only modest disruption from the COVID-19 crisis, the dividend looks in a position to continue growing at a single-digit rate, regardless of what happens next with this pandemic.

If you're a CERB user and saver who's looking to beef up your income, BCE is a great way to do it without bearing excessive risks that typically come with equities. The stock has a low 0.26 beta, which means it's less likely to move in conjunction with the broader markets. If you value lower volatility, stable income, and don't mind compromising on the capital gains front, BCE is a great buy at these valuations.

BCE stock trades at 2.2 times sales and 17.2 times trailing earnings, which isn't bad given the calibre of dividend you'll be getting. But be warned, don't expect meaningful capital gains coming out of this pandemic because you'll likely be left disappointed.

CT REIT: A resilient REIT that looks undervalued

CT REIT (TSX:CRT.UN) is a 5.7%-yielding REIT that's faced a minimal amount of disruption from the COVID-19 crisis. Despite the REIT's demonstrated resilience, shares are still discounting, currently down 18% from pre-pandemic highs. The REIT, which houses **Canadian Tire** stores and warehouses, boasts a Canadian-focused property portfolio in excess of 27 million square feet.

Canadian Tire, as you may know, has been quite a resilient retailer amid the pandemic. The iconic Canadian retailer also has a stellar liquidity positioning such that even a bear-case scenario wouldn't cause it to miss a month's rent. When it comes to high-quality tenants, it's tough to match Canadian Tire, and CT REIT has it locked into a long-term lease.

The REIT recently pulled the curtain on its second-quarter results. CT REIT's Q2 FFO (funds from operations) came in at $0.294/unit, which in-line with what analysts were expecting. Quarterly collection averaged 97.3%, with 98.5% in rent collection since July.

Things are undoubtedly improving for the robust REIT, and because of this, CT REIT was able to buck the trend by increasing its monthly distributions by 2% to $0.0669/unit.

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2. TSX:BCE (BCE Inc.)
3. TSX:CRT.UN (CT Real Estate Investment Trust)

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Date
2025/08/23
Date Created
2020/08/07
Author
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