



## 3 High-Yield Dividend Stocks To Buy When the Market Crashes

### Description

Back-to-back market crashes haven't happened in quite a while, so many investors might not be ready to take the full advantage of the next crash. The key is to look at the first crash, learn from the recovery patterns of the stocks, and how underlying companies reacted to the devaluation of their shares and sell-offs.

Whether you want to add more growth or dividends to your investment portfolio, a new crash presents a fantastic opportunity. Of course, we don't know precisely when and how it will happen, or will it even be as sharp as the previous one was, or a long depressing slide down.

The economy is currently propped up on government interventions and hope. Still, another solid blow (like a second wave of the pandemic) can severely cripple the fragile recovery we've had so far.

On a positive note, if you are planning on investing during the crash, you should start identifying prospects and running them through your evaluation metrics. There are three stocks you may want to keep an eye on.

### An energy stock

While energy is still an almost taboo sector, **Pembina Pipeline** ([TSX:PPL](#)) is a fantastic aristocrat you may want to add to your portfolio. It's already trading [at a discounted](#) price, 33% down from its pre-crash high. Another crash could knock a few more dollars off the price tag, increasing the scale of your bargain and, most important, the yield.

With a price-to-earnings of 16 and price to books of 1.4 times, it's underpriced even now. It has a strong balance sheet, and its revenue didn't take as big a hit given what the sector is going through. And the best part is the mouthwatering yield of 7%. Investing \$10,000 in Pembina and putting it in your Tax-Free Savings Account (TFSA) means an additional \$700 a year in dividends.

## A solid REIT

**CT REIT** ([TSX:CRT.UN](#)) is a solid REIT that has been increasing its payouts for seven consecutive years. While the dividend growth rate isn't very generous, right now, the yield is. It's currently offering a juicy yield of 5.58%, with a payout ratio of 74.7%, which might be higher than its previous year's ratio. However, it is still within the usual scale for a REIT, especially for one that's trading at a 16% discount right now.

It incurred losses in the last quarter, but it actually managed to increase its FFO by 4.6% and its revenue by 2.9% compared to 2019's second quarter. CT's portfolio is composed of 350 properties, mostly retail, industrial, and mixed-use properties.

## A banking stock

Banking on Canadian banking has proven to be a safe bet time and time again, which is why you might consider adding **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) on your wish list for the next crash. This nine-year-old [Dividend Aristocrat](#) is currently sporting a 6.36% yield at a stable payout ratio of 58.7%.

For \$56.15 per share, the bank's valuation hasn't sunk this low since 2016. It's already undervalued, but another crash might push the yield above 7%.

Bank of Nova Scotia has a decent international footprint. As of last year, only 55% of its earnings were local. The rest came from the Pacific Alliance, the U.S., the Caribbean, and a few other countries. While it does protect it against local headwinds, it also exposes it to unprecedented dangers, especially in a global crisis like the one we are going through now. Still, the dividends seem safe enough, at least for now.

## Foolish takeaway

Out of the three Dividend Aristocrats, the only stock that offers potential capital growth is PPL. But since all three stocks offer incredible yields and the yields might increase even more in another crash, you can build a reliable income stream based on just dividends.

Also though none of the three has recovered its pre-pandemic valuation yet, all three are relatively safe stocks with safe dividends.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)
3. TSX:CRT.UN (CT Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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