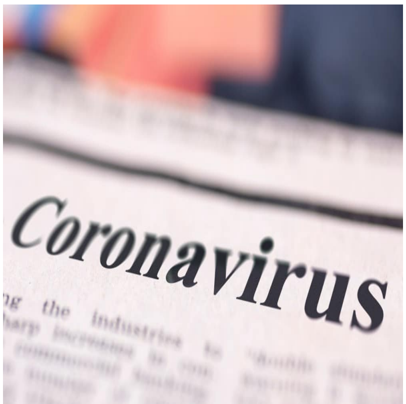


COVID-19: Here to Stay?! Buy These Dividend Stocks

Description

COVID-19 may be here to stay.

There has been suspicion that the coronavirus may not entirely go away. For months, people wondered if reinfection was possible. Some recovered patients developed an immunity, but it seemed their levels of antibodies against the virus decreased after several months.

Finally, Hong Kong documented the world's first case of COVID-19 reinfection in a 33-year-old man.

Researchers at the University of Hong Kong stated, "Our findings suggest that the SARS-CoV-2 may persist in the global human population as is the case for other common cold-associated human coronaviruses, even if patients have acquired immunity via natural infection."

Following the documentation of this first case, at least two more people in Europe were also found to be reinfected with the coronavirus.

If COVID-19 is here to stay, here's what to invest in to grow your wealth.

Growing tech stocks

Investors should invest in growth areas, especially if COVID-19 isn't going away. One such area is tech stocks, whose growth can come from M&A activities, organic growth, or a growing target market.

Open Text (TSX:OTEX)(NASDAQ:OTEX) has all three. The information management company reported its fiscal full-year results earlier this month.

The proven tech company has a track record of making acquisitions, improving margins, and deleveraging afterward. Its prominent acquisition of the year is US$1.45 billion Carbonite in fiscal Q2. Since then, Open Text has reduced its consolidated net leverage ratio from 2.28 times to 2.04 times.

In constant-currency terms, its organic revenues increased marginally by 0.5% against fiscal 2019.

This is no small feat in a stressful economy.

For the year, Open Text increased its operating cash flow by 9% to more than US$950 million. Its run-rate annual recurring revenues also represent about 80% of its total revenues, which implies more consistent profitability going forward.

Importantly, the stock is reasonably valued and provides a growing dividend that has increased by more than 10% per year since 2014.

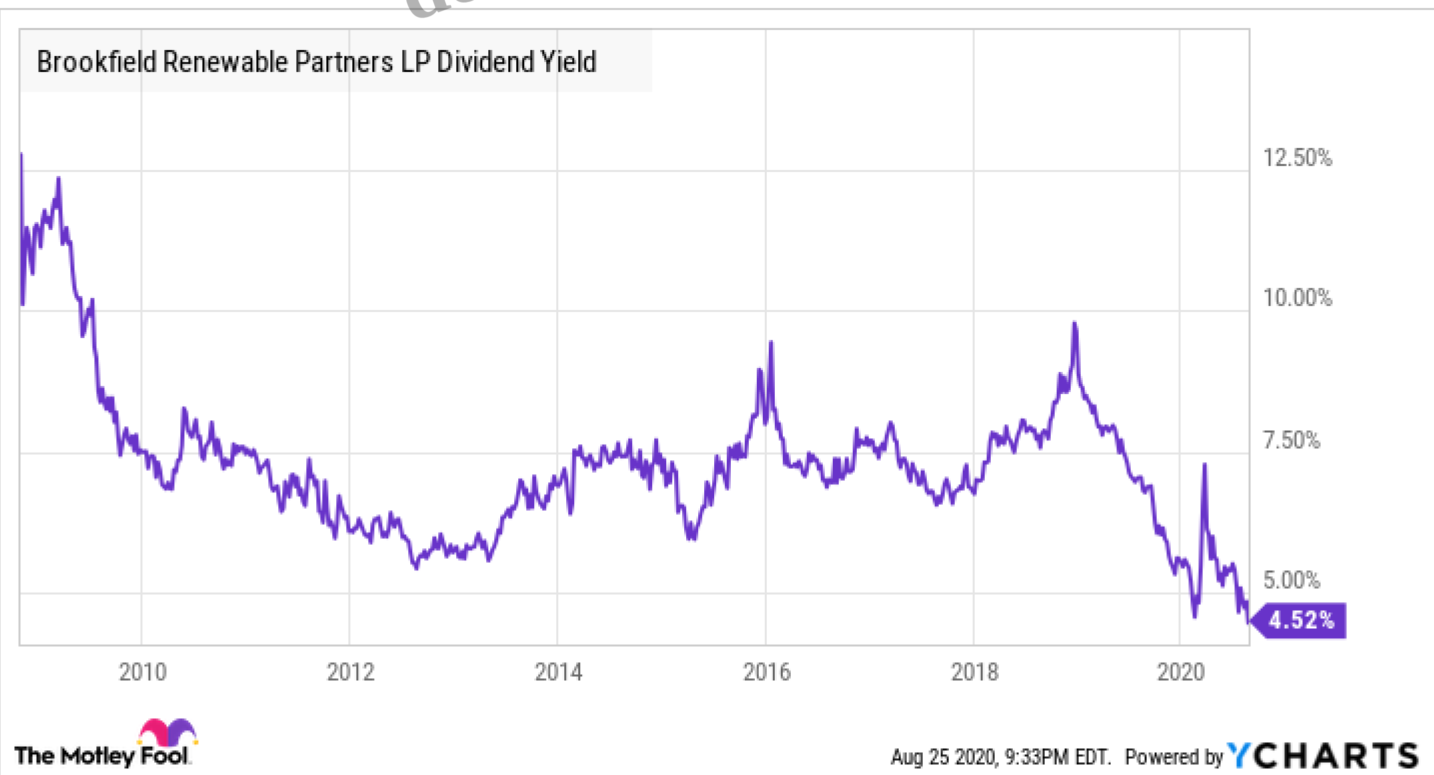
Dividend stocks

Another key area to invest in is dividend stocks that pay nice income while providing essential products and services. Ideally, they'd have internal growth drivers that help drive dividend growth as well.

One such stock is **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP). It's one of the largest global renewable power platforms that you can invest in. Moreover, you'll be investing alongside the management, which has substantial insider ownership of about 57%.

It's no wonder that the management has been paying itself and unitholders a consistently growing cash distribution. Since 1999, BEP has boosted its dividend by nearly 5.5% per year.

Over the long haul, it should continue increasing the dividend by about 5% per year. Growth drivers of its funds from operations include inflation escalations that apply to about 40% of revenues, rising power prices in certain geographies it operates in, and its development pipeline, etc.



BEP Dividend Yield data by YCharts.

At writing, the utility stock offers a dividend yield of about 4.2%. That's nice income, but according to its historic yield range, the dividend stock seems to be on the expensive end. So, interested investors should consider buying on a pullback. A 15% pullback would be superb to start scaling in.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
5. Tech Stocks

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1. Editor's Choice

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3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
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