



2 Safe High-Yield Dividend Stocks to Buy in Case the Market Crashes

Description

Whether through a second wave of infections or a looming housing market decline, [another stock market crash](#) could be on the cards before 2020 ends. The year that has been a challenging affair for the world might still have more up its sleeve. There is nothing as devastating as a second market crash within a year for investors.

However, the previous bear market might have instilled a sense of caution in investors. The quick rebound after the March 2020 bottom was a relief for many. However, there are worrying signs of another market crash. I would advise being better prepared for it this time by reducing your position in high-risk equities.

Ideally, you should consider investing in high-yield dividend stocks. Companies that can continue to provide you returns through a volatile market can put you in a better position to buy high-quality assets for a bargain as the dust settles.

I will discuss the **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Algonquin Power & Utilities Corp.** ([TSX:AQN](#))([NYSE:AQN](#)). The two companies can provide your capital with a haven during the downturn and grow your wealth through the market crash.

A reputable financial institution

Scotiabank is a long-standing financial institution that has provided its investors with solid returns over the years. Canadian banks are always a reliable long-term investment for any kind of portfolio. Rate cuts and increased provisions for credit losses took a toll on BNS. At writing, the bank's share prices stand at \$55.29, and it is down by almost 25% year to date.

A weak economic outlook and the possibility of more jobless claims does not paint a pretty picture for the banking sector. However, BNS has exposure to high-quality growth markets and a sustained increase in loans and deposits. These factors put the bank in a favourable position to generate substantial revenue whenever economic activity picks up.

BNS does not rely as heavily as most of its peers on the housing market. It derives a significant portion of its earnings from stable segments like commercial and personal banking. At its current price, BNS has a juicy 6.51% dividend yield that can grow your wealth.

Power and utilities

Algonquin is a straightforward wealth generation stock in my books. It is most often thought of as a utility stock because two-thirds of its business comes from utility assets. That fact alone places it in a favourable position for a market crash. Utility companies can continue generating revenue due to the essential service they provide.

Consumers can't go without water, gas, or electricity. Even in a shrinking economy and high unemployment rates, a company like Algonquin can continue generating income. Algonquin is different from other utility companies because it goes a step further. The company also operates in various jurisdictions that reduce its regulatory risks.

To make the deal even sweeter, Algonquin also has a considerable integration of renewable energy-generating assets within its infrastructure. Utilities tend to slow down growth amid market expansions. Algonquin's access to a booming renewable energy industry can allow the stock to grow even in a growing economy.

At writing, the stock is trading for \$18.13 per share. It is back to its price at the start of 2020, and it offers its shareholders a juicy 4.54% dividend yield.

Foolish takeaway

Many investors can expect to see double-digit losses to their portfolios with a [second market crash in 2020](#). However, you can position yourself to grow your wealth through it. Investing in high-yield and reliable dividend stocks can allow you to achieve that goal. To that end, BNS and Algonquin can be excellent stocks to add to your portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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Author

adamothonman

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