Market Crash 2.0: 2 TSX Dividend Stocks To Hold Right Now!

Description

As the stock markets get more volatile, investors need to find havens that will be able to withstand the market movements and not be too affected by it. From the looks of it, it seems pretty certain that COVID-19 is not going away anytime soon and companies will have to continuously adapt to the new environment.

They will also have to build a strong moat around their business models to ensure that they can survive until some sort of stability returns to the global business environment.

Why you can bet on TSX giants like Enbridge

If you are looking to invest capital, here are two companies for you to look at **Enbridge** (TSX:ENB)(NYSE:ENB) and **TC Energy** (TSX:TRP)(NYSE:TRP) are large companies with a market capitalization of over $50 billion each.

They operate in the oil and gas midstream sector, which means that they do not explore or produce oil or natural gas. Enbridge and TC Energy are involved in the storage and transportation aspects of the business. While it is true that this segment has also taken a hit due to the pandemic, these companies are large enough to weather this storm out.

Both companies have gauged the pandemic and have put in place sufficient measures to mitigate the effects of the global slowdown. The two companies are leaders in their industry with strong growth records to prove it.

Enbridge and TC Energy have excellent dividends records and there's little reason to believe that they are going to cut back or slow down payouts anytime soon.

Solid execution by Enbridge

Around 95% of Enbridge's customers are investment grade. The company has completed $30 billion worth of projects since 2016, which will help it generate predictable cash flows. It also has sold off $8 billion in assets and reduced costs to improve liquidity.

Its distributable cash flow is expected to grow by 5% to 7% per share until 2022. The company has $11 billion worth of projects under execution, and Enbridge can achieve all of this without raising equity capital and by leveraging a low interest rate environment.

During the second-quarter call with analysts, Enbridge said that North American demand for crude oil came back by almost three million barrels per day, but the pace from here on will be gradual. Enbridge has been given the go-ahead by the Michigan Circuit Court and approval from the Pipeline and Hazardous Materials Safety Administration for its Line 5 Pipeline.

Minimal COVID-19 impact for this TSX giant

TC Energy's EBITDA for the second quarter of 2020 was $2.2 billion, down just 5.4% from $2.32 billion in the same period in 2019. The company has said that 95% of its EBITDA comes from long-term fixed contracts and that it is insulated from price fluctuations.

TC has built up its liquidity positions by over $11 billion by issuing long-term debt in Canada and the U.S., increasing its committed credit facility and sales of three Ontario natural gas-fired power plants and a 65% interest in the Coastal GasLink project.

Both companies are Dividend Aristocrats and their forward dividend yields are 7.76% for Enbridge and 5.32% for TC Energy. These dividend yields will not be available at these attractive rates for too long. You can generate over $1,300 in annual dividend payments by investing $10,000 each in these two stocks.

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1. Dividend Stocks
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