4 Safe Dividend Stocks to Buy if the Market Crashes

Description

All the way back in May, I'd discussed whether investors should bail on the market and wait for a better buying opportunity. Valuations continued to balloon in the summer and into the fall. Now, bloated prices and a second round of lockdowns in the developed world may threaten to spark a second market crash. Today, I want to look at four safe dividend stocks for your portfolio.

Why I'm betting on utility dividend stocks in a market crash

Earlier this month, I'd suggested that utilities were a great target for investors looking for protection in their portfolio. As an essential service, utilities will continue to churn out profits, even in the face of the COVID-19 pandemic. Utility stocks are a very solid target for those fearful of a market crash.

Hydro One (TSX:H) is a dividend stock that boasts a monopoly in Canada's most populous province — Ontario. Its shares have climbed 22% in 2020 as of close on October 21. The stock is up 26% year over year. Hydro One released its second-quarter 2020 results on August 11. Adjusted earnings per share came in at $0.39 — up from $0.26 in the prior year.

Its stock last had an attractive price-to-earnings (P/E) ratio of 10 and a price-to-book (P/B) value of 1.7. Hydro One offers a quarterly dividend of $0.2536 per share, which represents a 3.4% yield.

Northland Power (TSX:NPI) is a Toronto-based company that operates clean and green power projects primarily in Canada and Europe. Its stock has climbed 63% so far this year. This is another dividend stock I'd hang onto in the even of a market crash. The stock is up 73% year over year.

Shares of Northland Power possess a solid P/E ratio of 23. It last paid out a monthly dividend of $0.10 per share, representing a 2.7% yield.

Grocery stocks have proven resilient in this crisis

The COVID-19 pandemic has given a boost to grocery retailers. This was especially true in the early weeks of the pandemic, as consumers took to panic buying. Fortunately, this wave of irrationality would pass. That has not stopped grocery retailers and their stocks from thriving. **Empire Company** is one of the largest in Canada and a good defensive dividend stock in a market crash.

Empire stock has increased 26% in 2020. In Q1 fiscal 2021, the company reported same-store sales excluding fuel of 11%. Earnings per share rose to $0.71 compared to $0.48 in the previous year. It launched Voilá by Sobeys online grocery shopping in the Greater Toronto Area. It needs to move fast to compete with online shopping already offered by many **Loblaw** chains and **Metro**.

Shares of Empire last had a favourable P/E ratio of 15 and a P/B value of 2.5. It pays out a quarterly dividend of $0.13 per share, which represents a modest 1.3% yield.

Telecom dividend stocks can and will survive a market crash

Telecommunications have been shaken up as technology evolves, but these are still safe plays for Canadian investors. **Rogers Communications** is one of the largest telecoms in the country and a solid dividend stock. Its shares last possessed an attractive P/E ratio of 15 and a P/B value of 2.6. Moreover, it offers a quarterly dividend of $0.50 per share. This represents a 3.8% yield.

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2. TSX:NPI (Northland Power Inc.)

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