



Worried About a Market Crash? Here Are 2 Dividend Stocks That Will Protect Your Portfolio!

Description

Dividend stocks are a perfect option for building consistent wealth during times of market volatility. With all the political, economic, and pandemic uncertainty today, it [feels as if markets could crash again at any minute](#). If you are worried, then today is a great day to consider bolstering your portfolio with some solid **TSX** dividend stocks. Generally, they are not flashy and will not gain you quick returns.

Dividend stocks are a great hedge against the market

If you are prudent and pick dividend stocks with predictable assets, strong balance sheets, and growing cash flows, you can build a portfolio that will likely outperform the TSX for many years.

The great founder of value investing, Benjamin Graham, once said, “The true investor will do better if he forgets about the stock market and pays attention to his dividend returns and to the operation results of his companies.” Forget what’s happening in the market day to day and just buy the best companies. Here are two that are great buys today.

This dividend stock has a massive tailwind (literally)

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a perfect dividend stock to own during uncertainty. The stock has had a massive 45% gain so far in 2020. It is certainly not cheap, but it has long-term tailwinds that should make it a winner for many years to come.

Climate change is increasingly becoming a risk that investors and society are acknowledging. Politicians and corporations alike are setting their sights towards net-zero power emissions in the next 30-50 years. One of the best ways to do that is through renewable power generation.

BEP is one of the largest publicly traded pure-play renewable power businesses. It produces over 19,300 MW of hydro, wind, [solar](#), and battery/storage powered assets across the globe. The company has scale, expertise, and diversity to develop and operate renewables wherever it can earn an

attractive return.

It has over 18,000 MW (almost double its current capacity) in its development pipeline and 2,400 MW under construction. The stock pays a decent 3.31% dividend; however, it is the cash flow growth that is exciting. Management anticipates 6-11% annual fund flow growth and annual total returns of 12-15%. Considering the low risks with this stock, I'd grab that kind of return any day!

You own the product; buy the stock

Chances are, around 30% of our readers are likely owners of a Bell phone plan. So, why not buy the stock, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) as well? This stock has a beta of only 0.28. This means this dividend stock has a very low correlation of movement to the overall TSX. So, if you want stability, it is a great stock to own.

BCE is attractive for the long term for a few reasons. Firstly, BCE had first-mover advantaged, as it deployed 5G into Canada's largest cities. Bell has long had a strong relationship with **Ericsson** (it developed Bell's LTE network). Consequently, Bell should be able to rather seamlessly deploy 5G service and infrastructure across Canada.

Generally, the rollout of 5G means more customers will need to buy 5G phones. Likewise, demand for 5G business and lifestyle solutions (i.e., the Internet of Things, automation, virtual reality, etc.) should ensure long-term growing demand for 5G data and spectrum.

Secondly, in a low interest rate environment, the company can fund infrastructure development at historically low interest rates. This means it can earn a higher spread on rates and services when inflation and the economy start to rise again.

Lastly, the company produces strong free cash flows, pays a great 5.93% dividend, and generally has a very low risk profile. All in all, this is a great dividend stock to own when the world is most uncertain.

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1. Editor's Choice

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2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:BCE (BCE Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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