Market Crash 2.0: 3 Dividend Stocks That Can Protect You

Description

A recent **Bank of America** survey showed that investors were in bull mode following the promising data that was released by **Pfizer** on its vaccine candidate. However, Canadians should remember the investing adage; be fearful when others are greedy. We are about to embark on multi-week and possibly multi-month lockdowns across the western world.

Restaurants, entertainment, and other sectors are extremely vulnerable as we prep for a second wave. To be on the safe side, investors should consider the potential for a second market crash. Fortunately, there are several dividend stocks available that can protect your portfolio.

Market crash: One dividend stock to rule them all

Fortis (TSX:FTS)(NYSE:FTS) is a St. John's-based utility holding company and a truly elite option for Canadians on the hunt for dividend stocks. During previous downturns, this utility has proven resilient. If there is a market crash around the corner, this is a great option for investors to hold onto. Its shares have increased 2.6% in 2020 as of close on November 16.

In Q3 2020, Fortis delivered adjusted net earnings of $0.65 per share. It boosted its five-year capital plan by $0.8 billion to a total plan that now sits at $19.6 billion. This capital plan aims to boost its rate base and support annual dividend-growth of 6% through 2024. Fortis recently increased its quarterly dividend to $0.505, representing a 3.7% yield. This was Fortis' 47th consecutive year of dividend increases.

This healthcare stock offers nice income

All eyes have been on the healthcare sector during the COVID-19 pandemic. Real estate investment trusts are not impervious to volatility during market crashes. However, the **NorthWest Healthcare Properties REIT** (TSX:NWH.UN) looks particularly attractive in this environment. This REIT provides investors with access to high-quality healthcare real estate around the world. Its shares have increased 7.8% in 2020.

NorthWest Healthcare reported net operating income growth of 3.4% to $72.2 million in the third quarter of 2020. Portfolio occupancy remained stable at 97.2%. Moreover, this dividend stock last possessed a favourable price-to-earnings ratio of 14 and a price-to-book value of 1.4.

Best of all, NorthWest Healthcare last announced a monthly distribution of $0.06667 per share. That represents a tasty 6.5% yield. Investors can count on this healthcare-focused dividend stock in a future market crash.

A dividend stock that can survive a market crash

Few sectors have been as resilient in the face of this pandemic as grocery retailers. It comes as no surprise as these stores have offered the most essential of services during this crisis. **Empire Company** (TSX:EMP.A) is one of the top food retailers in Canada. It owns and operates brands like IGA, Sobeys, and Farm Boy. Shares of Empire have climbed 21% in 2020. This is a dividend stock that you can trust during a market crash.

In the first quarter of fiscal 2021, same-store sales excluding fuel climbed 11% from the prior year. Earnings per share surged to $0.71 compared to $0.48 in Q1 FY2021. Moreover, Empire stock last had a favourable P/E ratio of 15. It last announced a quarterly dividend of $0.13 per share, which represents a modest 1.4% yield. In any case, grocery retailers are worth trusting in the event of a market crash.

CATEGORY

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2. TSX:EMP.A (Empire Company Limited)
3. TSX:FTS (Fortis Inc.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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