



1 Dividend King Stock That Will Rule Through a Market Crash

Description

Crashes or corrections are [normal occurrences](#) in the stock market. After a rally, new drivers will cause turbulence and lead to a meltdown. The coronavirus outbreak is the latest event that hinders a bull run. However, the market still declines with or without a pandemic.

No one gets advance notice of the date, nature, and magnitude of the next dip. Income investors understand that a crash is inevitable. Panic is not their reaction, but it presents a [challenge](#). You must pick a dividend stock that will endure or rule through a market crash. When a meltdown comes, your income stream will continue.

The TSX is back to pre-coronavirus levels

Investing in the stock market is like riding a roller coaster. Risks are unpleasant and ever-present. But historically, there are longer up moments than down periods. For instance, the S&P/TSX Composite Index has almost recovered entirely from its COVID low. Canada's primary stock market is down by only 0.26% year to date.

The TSX sunk to a low of 11,228.50 on March 23, 2020. It breached the 17,000 level for the first time in nine months on November 20, 2020. The climb was steep, but it doesn't mean the rally can sustain.

The clear and present danger

COVID-19 remains a clear and present danger. Due to its second wave, the country could return to lockdowns. Four provinces reported single-day highs last weekend. Prime Minister Justin Trudeau and public health officials urge Canadians to stay home to control the rise in cases.

Market volatility might heighten again in the last week of November, and the situation could deteriorate in December. If Canadians will not take greater care and follow health protocols, the new modelling of the federal government suggests there could be up to 20,000 daily cases next month.

Another crash could wipe out the gains of the TSX. Countries pin their hopes on a working COVID-19 vaccine. While there are two reported promising vaccines, returning to normalcy will not be instant.

Dividend king to own

A dividend king that stands out during a market crash is **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). Investing in this energy stock is not 100% safe, although its regulated business can mitigate the risks and nip your worries in the bud.

Whether you're chasing after dividend safety, a recurring income stream, or doubling your money in eight-and-a-half years, Enbridge is the dividend stock for you. The \$77.58 billion energy infrastructure company pays a generous 8.46% dividend.

Enbridge generates revenues and derives 98% of its earnings from regulated businesses. Likewise, the majority of contracts with investment-grade customers are long term. The stock belongs to the highly volatile energy industry, but it transports, not produces, oil and distributes natural gas.

Prepare if you must

The next COVID-induced market crash could be worse than in March. Prepare if you must and initiate a position in Enbridge. Over the last 20 years, the total return is 728.38%. The company also raised dividends by 10% for three consecutive years. Take comfort in the low-risk business model. In a worst-case scenario, resiliency wins it for Enbridge investors.

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