The 2 Top Canadian Dividends Stocks to Buy Right Now

Description

The stock market may be coming in hot, and although there is a slew of bearish calls noting that we're long overdue for a correction, I'd encourage investors to resist any attempt to time the markets over the near term. Even if the correction kicks in tomorrow, there is still an abundance of bargains that exist on the **TSX Index** today. And it's these such bargains that should be bought once spotted, regardless of what any market strategists think we'll be in for next. Nobody, not even Warren Buffett, knows when the next stock market crash will be. That's why it's vital to be ready for whatever move Mr. Market deems is next.

Warren Buffett couldn't care less for overly bearish and alarmist predictions of a meltdown, nor does he give too much thought to overly-bullish calls for a melt-up. He's one to hedge his bets and positions himself such that he'll be in a spot to respond to whatever surprise the markets serve up next.

In this piece, we'll have a look at two Canadian dividend stocks that I think are timely buys right now, even if you subscribe to the bearish short-term predictions that we're overdue for a pullback.

Without further ado, consider **Barrick Gold** (TSX:ABX)(NYSE:GOLD) and **BCE** (TSX:BCE)(NYSE:BCE), two blue-chip Canadian dividend stocks with yields of 1.6% and 6%, respectively, at the time of writing.

A dividend policy that really shines

Barrick is a premier player in the gold mining space and is Warren Buffett's preferred way to play the miners of the shiny yellow metal. Of late, Barrick stock has taken a tumble amid the pullback in the price of gold. With several promising COVID-19 vaccines that could end the pandemic in the latter part of 2021, the magnitude of uncertainty has declined considerably.

While there is light at the end of the tunnel, it'd be unwise to discount the potential for negative surprises. Now that gold is slightly cheaper than it was a few weeks ago, I'd encourage investors to side with Buffett in Barrick now that the stock is down over 25% from its high.

It’s tough to tell what gold’s next move will be, but some of the more bullish folks at Citi seem to think the metal could be ready for a run for the US$2,500 level. If gold makes such a move, Barrick shares could really take-off and investors can expect some generous dividend hikes along the way.

A Canadian blue-chip that’s ready for the post-COVID world

BCE is a telecom behemoth that I don’t believe will be kept down for too long. Once the pandemic ends and establishments like restaurants open, I suspect BCE and its Big Three telecom peers will be among the first to see their sales recover to that of pre-pandemic levels. Moreover, I actually think that the telecoms could be in for surging average revenues per user (ARPU) as soon as 2022, as pent-up demand for social activities, travel, and all the sort are met in the post-COVID world.

BCE is down around 15% from its 2019 high and is a compelling deal for long-term income investors who want to lock-in a swollen yield alongside a shot at outsized gains over the next 18 months.

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3. TSX:ABX (Barrick Mining)
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