



2 Top Canadian Dividend Stocks You'll Want to Buy and Hold Through 2024

Description

Defensive dividend stocks have faded into the background in recent months, thanks in part to **Pfizer's** initial vaccine breakthrough. Investor [appetite for risk](#) has increased considerably of late, and with all sights set on the end of this pandemic, growth and reopening trades have gone from red-hot to white-hot.

With concerns growing over the amount of froth that's been building on top of the stock market, I think it's a wise idea to take a step back and re-evaluate the names that most others have taken a raincheck on. Defensive dividend stocks can literally pay dividends when the next market hailstorm hits. And with a rock-bottom interest rate environment that's likely to stick around through 2024, I think it's time to trim one's growth and tech winners for a boring but reliable play that can better hold its own come the next painful correction.

Preparing for the next correction with dividend stocks

We're always due for a correction. Many smart people have been ringing the alarm bell in recent weeks. But thus far, their timing has been off. Although I'm sure we're overdue for a correction, given the unprecedented rise in the appetite for speculation, I wouldn't attempt to time it. As the great John Maynard Keynes once put it, "The markets can remain irrational longer than you can remain solvent."

While I wouldn't want to time the next crash or correction, I do want to position my portfolio in a way such that it will take on less damage. That's why I'm a huge fan of dirt-cheap dividend stocks at this juncture, especially those in the utility scene.

Consider taking profits off your hotter names and rotating into unfairly-hit dividend stocks like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) and **ATCO** ([TSX:ACO.X](#)), which appear to have a better risk/reward than some of the "sexier" names that have been grabbing headlines.

Fortis and ATCO have been under pressure for many months now, with shares currently down 12% and 30%, respectively, with swollen dividend yields of 3.9% and 4.7%. Both firms have endured their fair share of challenges. Still, I believe industry pressures have been overblown in recent months,

giving contrarian value investors a great buying opportunity as they look to score more yield for less.

Fortis

Fortis is a magnificent company with a stock that's fallen out of favour due to changing investor appetite. In due time, I do think we'll witness a rotation back into safety and value, either due to a growth-driven market crash or a gradual, less painful rotation over the span of many months. Once this happens, I suspect Fortis stock will be great again through the eyes of investors, many of whom may have grown overly complacent on recent vaccine news.

With Fortis, you're getting predictable earnings and dividend growth over time. Fellow Fool Ambrose O'Callaghan crowned Fortis as a future dividend king, praising the firm for its capital plan. I think O'Callaghan is right on the money and would encourage investors to invest in the dividend king while shares are down.

ATCO

ATCO is another great "Steady Eddie" dividend stock that doesn't get the respect it rightfully deserves. In a prior piece, I noted that ACO.X stock was likely on the verge of a big upside move, going as far as calling it one of my top "timely" bets to buy in mid-February.

"Shares are not only cheap, but they also look technically sound, with a bullish diamond bottom reversal pattern that looks to have formed," I [wrote](#). "Should the reversal come to fruition, the stock could be in for a 20% upside move over the medium term. With earnings on tap for February 25, investors may wish to scoop up shares now if they seek income, value, and timely gains."

At 1.1 times book, I'd say the risk/reward has never looked better with the name and would encourage contrarians to look to the name if they seek deep value and a fat dividend.

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