



2 Defensive Income Stocks to Buy Right Now

Description

Volatility is once again beginning to pick up in the market. And this time, it appears volatility is to the upside. However, investors may want to consider adding some defensiveness to their portfolios, given where valuations have gone of late.

In this article, I'm going to highlight two such plays to add for defensiveness right now. These are companies providing excellent income and defensiveness for those willing to be patient with whatever happens in the market.

Let's dive in.

Algonquin Power

One of the best utilities plays on the market right now is **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)).

Indeed, this company's 4.5% dividend yield is top notch. And it's priced in U.S. dollars, which is bullish for Canadian investors worried about currency risk in their portfolios. Companies like Algonquin with higher-than-average dividend yields help provide protection in down markets. However, Algonquin is no slouch on its growth prospects either.

Indeed, the company's renewable energy portfolio is a thing of beauty. Algonquin has been acquiring renewables assets for years. Currently, renewables make up roughly one-third of Algonquin's overall business. The growth this business segment should provide over the long term is very bullish for investors looking for defensive growth.

Indeed, the cash flows Algonquin provides are another aspect to consider. The company's regulated utilities business provides a level of cash flow stability that's hard to get in this market. Accordingly, as cash flows increase over time, so too will the company's dividend and share price. This is a great option for those seeking total return today.

WPT Industrial REIT

In the real estate space, **WPT Industrial REIT** (TSX:WIR.U) continues to be one of my [top picks](#), and for good reason.

This defensive income play provides investors with a dividend yield around 4%. Considering how volatile REITs have been over the past year, WPT's defensive attributes remain one of the reasons to own this stock. Indeed, WPT's share price and yield saw much less volatility than many of its peers. That's hard to put a price on right now.

Another key factor with this REIT investors need to consider is the defensiveness of the company's core holdings. As an industrial REIT, WPT provides greater exposure to warehouses and distribution centres. The clientele WPT has as leases are world class. Accordingly, any sort of market crisis can likely be weathered easily by WPT. Indeed, the company's track record in the past with such situations is stellar.

WPT's current occupancy rate is near 100%, and I expect this to remain the case for some time. In uncertain times, it's worth owning high-quality names like WPT and Algonquin. After all, we have no idea what's around the corner.

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