5 Dividend Aristocrats Perfect for Down Markets

Description

Looking for solid stocks to buy in a down market?

If so, Dividend Aristocrats are just what the doctor ordered. A Dividend Aristocrat is a stock that has not only paid, but also raised its dividend every single year for 25 years. There aren't that many of them, but they're among the most reliable stocks around. In this article, I will explore five dividend stocks that are perfect for down markets. Not all of these stocks meet the standard of having *raised* their dividend for 25 straight years, but they have all paid them for two and a half decades without interruption.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a Canadian energy stock that has been paying its dividend reliably ever since the mid-1990s. The stock has a 6.3% yield today, and it sports a 9.3% annualized dividend growth rate. It's an incredible track record. And today's hot oil and gas market provides a reason for hope that it can continue into the future.

TD Bank

The **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is a Canadian bank stock with a 3.5% dividend yield. It has an extremely cheap valuation, trading at around 10 times earnings. Yet it actually has decent growth potential. TD Bank is a major player in U.S. brokerages and retail banking. It is the ninth-largest retail bank in the United States. Yet it hasn't even begun to crack West Coast U.S. markets. So it could easily continue growing South of the border, delivering much better returns than the average Canadian bank in the process.

Royal Bank

The **Royal Bank of Canada** (TSX:RY)(NYSE:RY) is another Canadian bank stock. Much like TD Bank, Royal Bank stock began rallying after COVID-19 risk factors started to fade late last year. In

2020, all of the big Canadian banks suffered lower earnings. But the decline in earnings was mostly just on paper: it was due to PCL build, not reduced revenue. In 2021 those PCLs were lowered and the banks started growing their earnings again. So naturally, bank stocks are rising, with RY being one of the biggest gainers of them all.

CN Railway

The **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is a Canadian railroad stock. It has been paying dividends consistently for many decades. This stock is pretty much a proxy for economic growth. Railroads ship basic essential items like grain, coal, oil, and metals. Demand for these goods increases when the economy grows and decreases when the economy shrinks. Naturally, CNR had a rough go of it in 2020. Thanks to the recession at the time, its revenue and earnings declined. But now, in the midst of the COVID-19 recovery, it has the potential to grow again. Just Tuesday, CNR released a quarterly report that beat analyst expectations. Expect more of that as the economy recovers.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a true Dividend Aristocrat that has raised its dividend every single year for 47 years. As a utility, it enjoys unparalleled revenue stability. People would rather sell their cars than be cold in the winter. FTS, as the provider of heat and light for much of Canada, benefits from that fact. The stock has a 3.8% yield today and is aiming to raise the payout by 6% a year for the next five years.

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