



2 Stocks You Should NOT Sell if the Market Corrects

Description

No one expected the TSX's bull run from November 2020 to end in the last month of 2021. Canada's primary stock market is [trending downward](#) due to the Omicron scare. The skid might continue after the World Health Organization (WHO) warned the new COVID variant is spreading at an unprecedented rate compared with previous strains.

Investors should prepare as the market is likely to correct, if not decline sharply. However, those holding shares of the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are least affected by recent developments.

Canada's largest bank and most dominant telecom are formidable investments. You don't need to sell either stock or lose sleep, even if the market tanks. The blue-chip companies can withstand economic meltdowns as they did in the past. Furthermore, there should be no interruption in [dividend payments](#).

Stable and resilient

It's hard to imagine RBC disappointing investors when the market is declining. The \$184.15 billion bank is a bedrock of stability and resiliency, and it has endured the worst recessions in recent memory. Also, the bank stock has been paying dividends since 1870 (151 years).

Besides the 27.5% year-to-date gain (\$128.62 per share), investors are delighted with the 11% dividend increase. Thus, the 3.74% dividend yield should be higher in fiscal 2022. In fiscal 2021 (year ended October 31, 2021), net income rose 40% to \$16.1 billion compared to fiscal 2020.

Dave McKay, RBC president and CEO, said the overall performance in the fiscal year reflected strong earnings and premium shareholder performance. RBC's Personal & Commercial Banking reported the highest year-over-year earnings growth (54%), followed by Capital Markets (51%) and Wealth Management (22%).

According to management, the bank is entering fiscal 2022 with strong momentum because it's well positioned to capitalize on secular and macro trends. Expect RBC to deliver client and shareholder

value in the near and long terms.

Safe and sustainable dividends

BCE operates in a near-monopoly and dominates Canada's telecommunications industry. Like RBC, the telco giant has an outstanding dividend track record. The \$59.77 billion company first paid dividends in 1881 and hasn't stopped since. BCE is a [no-brainer choice](#) if you're investing for the long term or building retirement wealth

At \$64.53 per share (+25.4% year to date), the dividend yield is a fantastic 5.42%. The quarterly payouts should be safe and sustainable, given BCE's exceptional liquidity, well-structured balance sheet, and enormous cash flows. In Q3 2021, operating revenues, net earnings, and adjusted EBITDA grew 0.8%, 9.9%, and 4.2% versus Q3 2020.

BCE's capital expenditures increased 12.4% during the quarter, although it was consistent with its two-year program to accelerate the rollout of Bell's 5G, fibre, and rural wireless home internet networks. Management expects BCE's 5G coverage to be more than 70% of the national population by year-end 2021.

According to Glen LeBlanc, BCE and Bell Canada CFO, the consolidated Q3 financial results demonstrated another step forward in its COVID recovery and continued strong operational execution.

Unpredictable market

TSX's current slide or correction is proof that the stock market is never stable and always unpredictable. However, investors mitigate risks with buy-and-hold stocks. If you invest in RBC and BCE, you should be worry-free.

CATEGORY

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2. Investing

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