



2 Safe Dividend Stocks to Buy if There's a Stock Market Selloff

Description

Stock market corrections can make investors feel uneasy fast, as they see their investments losing value and potentially going red. However, that is when it could be the best time to buy stocks. Tremendous gains can be made by buying stocks on sale.

When investors feel uncomfortable, it's important to stick with quality businesses. These are businesses that you know aren't going away but will thrive for the long haul. Here are a couple of safe dividend stocks to buy if there's a stock market selloff. The nice thing about solid dividend stocks is that investors get paid to wait!

Brookfield Infrastructure

When the stock market crashed during the pandemic in 2020, **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) also fell off a cliff to as low as \$35 per share. Even if you waited to be safe and bought the dividend stock at about \$52.50 per share after it had consolidated, your position would still be 45% higher. Additionally, you would have enjoyed decent dividend income that equates to a yield on cost of about 5.2%. It goes to show that you do not need to buy quality stocks at the bottom to make wonderful returns.

A portfolio manager summed up Brookfield Infrastructure well on *BNN* in November 2021.

“Large cap, diversified infrastructure play, headed by one of the best asset managers, **Brookfield Asset Management**. Excellent job building out globally. Better ways to play infrastructure by owning individual names vs. a conglomerate. Good candidate if you want to sleep at night and collect the dividend.”

Varun Anand, portfolio manager at Starlight Capital

Currently, BIP yields 3.6%. The analyst consensus price target represents upside of about 12% over the next 12 months. So, the dividend stock is fairly valued. If it corrects meaningfully, consider buying for growing cash distributions and long-term price appreciation.

Royal Bank of Canada

Many Canadian investors trust our big Canadian banks as core holdings for their dividend portfolios. As the leader, **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) enjoys leading positions in its diversified range of offerings in financial services. Royal Bank stock and its peers have had a great run-up since the pandemic [stock market crash](#).

Back in November 2021, an analyst made the following comments on *BNN*:

“Usually, banks do well at the beginning of a tightening cycle. We’re in a tremendously over-leveraged economy. As we go along, and rates rise, banks on the other side of this credit cycle might have a tough time. He’s as underweight banks as he’s ever been. TD and RY are still great franchises, but he’s not that excited about the banks. They can go higher, but you have to evaluate the risks of the credit cycle.”

Bryden Teich, partner and portfolio manager at Avenue Investment Management

If investors are taking a cautious stance, they’ll wait for a market correction to buy bank shares. Currently, Royal Bank yields 3.3%.

Investing is an art and science, as it can be subjective and swayed by emotion but also can be researched and planned out by having buy and sell rules. By buying quality [dividend stocks](#) during market selloffs, you can take advantage of market fears, lower your risk, and improve your income and total returns.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:BN (Brookfield Corporation)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:BN (Brookfield)
6. TSX:RY (Royal Bank of Canada)

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