



Afraid of a Market Pullback? 3 Dividend Stocks That Could Protect Your Portfolio in 2022

Description

The **S&P/TSX Composite Index** dropped 196 points on February 14. North American markets have battled volatility in the opening months of 2022. The investing world has been uneasy, as the spectre of [interest rate hikes](#) looms large. Moreover, rising geopolitical tensions between Russia and Ukraine also threaten to engulf the European continent in war. Meanwhile, consumers are being ground down by rising inflation. In this environment, Canadian investors may be on the hunt for security. Today, I want to look at three [dividend stocks](#) that can provide some protection in 2022. Let's jump in.

Why this top utility can protect you in a market pullback

Hydro One ([TSX:H](#)) is the largest electricity transmission and distribution company in Ontario, Canada's most populous province. Shares of this dividend stock have dropped 1.8% in 2022 as of close on February 14. However, the stock is still up 12% in the year-over-year period.

Back in the summer of 2020, I'd [discussed](#) why Hydro One was worth holding onto for the long haul. Utilities were already highly dependable equities before the pandemic hit. Since 2020, companies that offer essential services are even more valuable to investors. Hydro One is in a league of its own, as it boasts a monopoly in Canada's largest province.

The company is set to unveil its fourth-quarter and full-year 2021 earnings on February 25. In Q3 2021, Hydro One delivered earnings per share of \$0.50 compared to \$0.47 in the previous year. Shares of this dividend stock possess a very solid price-to-earnings (P/E) ratio of 20. Moreover, it offers a quarterly dividend of \$0.2663 per share. That represents a 3.3% yield. It has delivered dividend increases in every year since its debut on the TSX.

Here's a dividend stock you can trust in a turbulent environment

Grocery retail stocks have also been a reliable hold for investors in the face of the COVID-19 pandemic. **Metro** ([TSX:MRU](#)) boasts a huge footprint in its home province of Quebec, while also possessing locations in Ontario and elsewhere. Shares of this dividend stock have increased marginally to open this year. The stock has surged 23% compared to the same period in 2021. This stock is a solid target as investors fear a future market pullback.

Metro unveiled its first-quarter fiscal 2022 results on January 25. Total sales increased 0.9% year over year to \$4.31 billion. Meanwhile, it posted food and pharmacy same-store sales growth of 1.4% and 7.7%, respectively. Meanwhile, adjusted net earnings climbed 8.3% to \$214 million. This grocery retailer, like its peers, have seen a boost in sales, as food prices have steadily increased over the course of the pandemic.

Shares of this dividend stock possess a favourable P/E ratio of 19. Metro last paid out a quarterly dividend of \$0.275 per share. This represents a modest 1.6% yield.

One more dividend stock to stash today

"This country's going through boom times; there's more (expletive) garbage than there ever was!"

This was said, or maybe yelled, by Richie Aprile in season 2 of *The Sopranos*. That character certainly had his faults, but this statement rings just as true today as it did in the year 2000. The World Bank recently projected that global waste is expected to grow to 3.40 billion tonnes by 2050. That is double the rate of population growth over the same period. Investors worried about a market pullback should be eager to get in on the very secure business of waste management.

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is a Toronto-based company that provides waste collection, transfer, disposal, and recycling services in North America. Shares of this dividend stock have plunged 10% so far this year. The stock is still up 21% in the year-over-year period.

Investors can expect to see its final batch of 2021 earnings on Wednesday, February 16. In Q3 2021, Waste Connections delivered revenue growth of 14% to \$1.59 billion. This dividend stock is trading in favourable value territory compared to its industry peers. It offers a quarterly distribution of \$0.23 per share, which represents a modest 0.75% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:H (Hydro One Limited)
3. TSX:MRU (Metro Inc.)
4. TSX:WCN (Waste Connections)

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