Rising Volatility: 3 Safe Dividend Stocks to Buy Right Now

Description

Amid the continuing geopolitical tension between Russia and Ukraine, the equity markets have become highly volatile over the last few weeks. Investors fear that conflict could increase oil prices, worsening the current high-inflation environment. So, given the uncertain outlook, here are three safe dividend stocks that investors can buy now to strengthen their portfolios.

NorthWest Healthcare Properties

NorthWest Healthcare Properties REIT (TSX:NWH.UN) is one of the safest dividend stocks to have in your portfolio. Its highly-diversified and defensive healthy care portfolio generates stable cash flows, irrespective of the state of the economy. The long-term contracts and government-supported clients increase its occupancy and collection rates, allowing it to pay dividends at a healthier rate. Meanwhile, the company's forward yield currently stands at a juicy 5.98%.

NorthWest Healthcare has committed around $339 million to develop and expand low-risk projects in Australia, Europe, Brazil, and Canada. It also has $1 billion of projects in the developmental stage. Further, it has strengthened its balance sheet by raising around $200 million and divesting some non-core assets. So, the company is well-positioned to continue paying dividends at a healthier yield.

BCE

I have opted for **BCE** (TSX:BCE)(NYSE:BCE) as my second pick, given the favourable market conditions, growing customer base, and accelerated capital investment. The digitization of business processes has increased the demand for telecommunication services, expanding the addressable market for the company.

Supported by its aggressive capital investment, the company crossed one million wireless home internet locations last year, a year ahead of schedule. Meanwhile, the company expects to add 900,000 more connections this year. With its 5G service currently covering 70% of the Canadian population, the company looks to expand the service to other parts as well. So, given its growth potential, BCE's management expects its adjusted EPS to grow by 2%-7% this year, while its free cash flows could increase by 2%-10%.

Meanwhile, BCE recently raised its dividends by 5.1% to $0.92 per share. Its forward yield currently stands at a healthy 5.51%. So, I believe BCE would be an excellent addition to your portfolio in this volatile environment.

Canadian Natural Resources

Third on my list is **Canadian Natural Resources** (TSX:CNQ)(NYSE:CNQ), which has delivered impressive returns of 134% since the beginning of 2021. I believe the uptrend could continue. Oil prices have increased to over $90/barrel, and analysts expect it to rise further amid rising demand and supply constraints. The conflict between Russia and Ukraine could also drive oil prices higher, benefiting Canadian Natural resources.

Further, the company has planned to make a capital investment of $3.6 billion this year, which could increase its production up to 1.32 million barrels/day. The company has also planned to make additional strategic growth capital expenditures of around $0.7 billion, which could add incremental annual production from 2023 onwards. The decline in its debt levels and share repurchases could also boost its financials in the coming quarters.

In November, Canadian Natural Resources had raised its quarterly dividend by 25% to $0.5875/share, marking a total of 38% dividend hike for the year. It was the company's 22nd consecutive year of dividend growth, with its forward yield at 3.43%. Further, the company is currently trading at an attractive price-to-earnings multiple of 9.2. Considering all these factors, I expect Canadian Natural Resources to outperform the broader equity markets in the near-to-medium term.

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5. TSX:CNQ (Canadian Natural Resources Limited)
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