Market Correction: 3 Top Defensive Dividend Stocks to Buy

Description

North American indexes started the day in the red on February 24, 2022. This came after Russia launched a much broader military operation in Ukraine. The intense geopolitical interplay will do little to calm investors who already have their eyes on interest rate hikes in March and beyond in 2022. Today, I want to look at three more defensive dividend stocks to snatch up in this market correction. Let's jump in.

Why this defensive dividend stock is a perfect hold right now

Loblaw Companies (TSX:L) is the top grocery retailer in Canada. Back in January, I'd suggested that investors look to stocks in this sector to protect their portfolios. Grocery retailers have also seen sales surge due to higher food prices in this inflationary climate. Shares of this dividend stock have dropped 1.6% in 2022 as of close on February 24. However, the stock is up 2% week over week.

This top grocery retailer gained momentum after unveiling its fourth-quarter and full-year 2021 earnings on February 24. In Q4 2021, revenue rose 2.8% from the prior year to $12.7 billion. Meanwhile, adjusted EBITDA increased 6.3% to $1.32 billion. For the full year, revenue rose marginally to a whopping $53.1 billion. Moreover, adjusted EBITDA climbed 11% to $5.58 billion.

Shares of this dividend stock currently have a favourable price-to-earnings ratio of 23. It last paid out a quarterly dividend of $0.365 per share. That represents a modest 1.4% yield.

This is another dependable stock to target in this market correction

Waste Connections (TSX:WCN)(NYSE:WCN) is a Toronto-based company that provides non-hazardous waste collection, transfer, disposal, and resource recovery services in Canada and the United States. I'd suggested that investors scoop up this dividend stock earlier this month. Its shares have dropped 8.6% so far this year. However, the stock is still up 24% from the same period in 2021.

The company unveiled its final batch of 2021 results on February 16. For the full year, revenues rose 13% to $6.15 billion. Better yet, adjusted EBITDA climbed 15% year-over-year to $1.91 billion. Investors looking for protection can depend on the stability in the waste management space.

This dividend stock is still trading in favourable value territory compared to its industry peers. It offers a quarterly dividend of $0.13 per share, which represents a modest 0.75% yield.

One more defensive dividend stock to snatch up in late February

Metro (TSX:MRU) is the third defensive dividend stock I'd look to snatch up in late February. This Montreal-based company is another top grocery retailer. Shares of this dividend stock are down marginally in the year-to-date period. The stock is still up 24% from the previous year.

This grocery giant released its first-quarter fiscal 2022 results on January 25. Sales were up 7.1% from Q1 2020 to $4.31 billion. Meanwhile, adjusted diluted earnings per share rose 11% to $0.88.

Shares of this dividend stock have a favourable P/E ratio of 19. It last declared a quarterly dividend of $0.275 per share. That represents a modest 1.6% yield.

CATEGORY

1. Dividend Stocks
2. Investing

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3. TSX:MRU (Metro Inc.)
4. TSX:WCN (Waste Connections)

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aocallaghan