2 of the Safest Dividend Stocks to Buy Amid the Ukraine Crisis

Description

As the recent Russian invasion of Ukraine is keeping investors on their toes, the global stock market remains extremely volatile. These uncertainties could hugely increase the risk to your stock portfolio, unless you have some reliable stocks in it to offset the potential risks. That's why it might be the right time for investors to focus on safe dividend stocks that could continue to yield positive returns even in uncertain times. In this article, I'll highlight two such reliable dividend stocks that you could consider buying now.

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Labrador Iron Ore Royalty stock

Labrador Iron Ore Royalty (TSX:LIF) is the first Canadian dividend stock that I would recommend that investors consider right now. This investment firm has more than 15% equity interest in Iron Ore Company of Canada (IOC) — one of the key iron ore producers headquartered in Montréal.

Labrador has been one of a handful of Canadian companies that continued to post strong double-digit revenue growth in 2020, despite facing COVID-19 challenges. After its top line grew positively by 13.5% YoY (year over year) in 2020, its financial growth trend accelerated further last year, supported by rising economic activities. That's one of the reasons why analysts expect its 2021 revenue to jump by nearly 33% YoY. Similarly, IOC's improving production efficiencies are expected to take Labrador Iron Ore's 2021 earnings up by around 55% than 2020 to $5.51 per share.

Apart from all these positive factors, Labrador's outstanding 13.3% dividend yield and excellent track record of yielding consistent returns for its investors make its stock one of the safest dividend stocks in Canada to buy now. Interestingly, LIF stock has already risen by nearly 23% in 2022 so far after consistently rising for the previous three years.

Sienna Senior Living stock

The ongoing geopolitical tensions are likely to keep commodity prices volatile in the near term. That's why it would be wise to add some cheap dividend stocks from sectors like real estate and healthcare services to your portfolio, as they might largely remain largely unaffected by such factors. **Sienna Senior Living** (TSX:SIA) could be one such great dividend stock to buy now.

While the global pandemic-driven operational challenges have badly affected its financial growth in the last couple of years, the company saw a steady improvement in its fundamentals in the second half of 2021. During the fourth quarter, Sienna's retirement occupancy saw notable improvements as it rose to about 84.6% in Q4 compared to 82.1% in the previous quarter. Similarly, the company's long-term-care admissions have started increasing lately. I believe this operational recovery will start a long-term financial growth trend. Rising demand for seniors' living residences and long-term-care services could help Sienna post strong double-digit earnings growth in the next few years, taking its stock higher.

Sienna stock currently has a strong dividend yield of around 6.2%, which makes its stock even more attractive for investors who want to buy safe dividend stocks in Canada right now.

CATEGORY

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2. TSX:SIA (Sienna Senior Living Inc.)

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jparashar

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