Market Volatility: 2 TSX Dividend Stocks to Buy Right Now

Description

Investors often turn to safe and reliable assets during volatile market environments as a hedge to protect their investment capital. Rising inflation rates, interest rate hikes, and global supply chain issues had already stirred up plenty of fear among stock market investors for several months. High-growth stocks in the tech sector saw significant declines in their valuations, as investors fled risky investments.

Taking your money out of the stock market due to fears of a market crash might seem like the appropriate way to go, because you cannot tell when it might happen. However, there might be ways to keep your money in the stock market while enjoying significant shareholder returns, as you wait for things to settle down.

Dividend investing is an excellent strategy to continue generating passive income in your portfolio during volatile market environments. Today, I will discuss two dividend stocks that you could consider adding to your portfolio for this purpose.

A banking giant

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is a $112.48 billion market capitalization bank headquartered in Toronto. It is one of the Big Six Canadian banks and a mainstay for investors who seek long-term, buy-and-hold assets for their portfolios. Canada's Big Six banks are some of the most reliable dividend stocks, boasting long dividend-paying streaks and strong fundamentals that put investors at ease.

With interest rate hikes positioning the financial sector to perform well, Scotiabank stock might be a natural choice for many investors. The bank's strong domestic operations could see a boost with the interest rate hikes. Its strong international presence means that the bank has a degree of protection if its domestic banking operations take a hit due to harsh economic conditions.

Scotiabank stock trades for $92.16 per share at writing, and it boasts a 4.34% dividend yield.

An insurance giant

Manulife Financial (TSX:MFC)(NYSE:MFC) is a $47.98 billion market capitalization multinational insurance company and financial services provider headquartered in Toronto. The company boasts operations in Canada, Asia, and the United States. Insurance companies have strong business models that generate stable and predictable income.

Manulife Financial is one of the top 30 insurance companies worldwide, and it boasts robust operations. The company reported record profits in 2021, as its net income in the fourth quarter of the year rose to $2.08 billion. Its earnings report exceeded overall analyst expectations, positioning it well for the future.

Manulife Financial stock trades for $24.78 per share at writing, and it boasts a 5.33% dividend yield.

Foolish takeaway

Dividend investing with the right income-generating assets can help you generate significant returns from your investment capital. However, it is crucial to make calculated investment decisions when investing in dividend stocks. Not all dividend stocks make for good investments.

Companies with solid business models and wide economic moats are more likely to deliver robust shareholder returns during uncertain market conditions. It remains to be seen how long the market volatility will last and whether it will become worse in the coming weeks. Times like these require looking for reliable investments with track records that support the thesis for buying and holding them for the long term.

Manulife Financial and Scotiabank are two TSX stocks that could be ideal for this purpose.

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