Time-Tested: 2 Durable Stocks to Own in a Wild Market

Description

The **S&P/TSX Composite Index** had the worst start this week, dropping 1.3% to 21,180.78 on March 14, 2022. Investors reacted negatively to the simultaneous drops in crude, natural gas, gold, and copper contracts for April. Index leader energy (-4.45%) declined the most, followed by the materials sector (-3.13%). Only the financials sector (+0.28%) advanced out of the 11 primary sectors.

Oil giants such as **Enbridge**, **Canadian Natural Resources**, and **Suncor Energy** declined on Monday, although the energy sector (+28.38%) remains up year to date. Meanwhile, the TSX (-0.20%) is back in negative territory. The chances of a snapback rally seem remote at this time, given the market's erratic behaviour due to geopolitical tensions. If ever a bear market comes, it could be longer than the pandemic-induced correction in March 2020.

Industry observers have been worried about the extreme movements of commodities prices lately. The stock market stands on shaky ground because of its potential economic damage in an extended period. Investors who fear a downturn can move to durable stocks like the **Bank of Montreal** (TSX:BMO)(NYSE:BMO) and **BCE** (TSX:BCE)(NYSE:BCE).

Canada's oldest bank and most dominant telecommunications company are time-tested. Both companies can withstand economic shocks as they did in the past, and their dividend payouts have been rock-steady for more than 100 years. You can purchase either stock and hold it forever.

Growth phase

BMO is steady as ever with its 10.16% year-to-date gain. The bank stock trades at $148.64 per share and pays a 3.62% dividend. In the dividend bonanza of December 2021, the $94.17 billion lender announced the most significant dividend increase (25%) among the Big Six banks.

Also, BMO has entered its next phase of growth following a definitive agreement to acquire the Bank of the West. Its wholly-owned subsidiary, BMO Harris Bank, will acquire BNP Paribas' U.S. subsidiary for US$16.3 billion. The acquisition adds scale and gives BMO instant expansion in attractive and fast-growing markets in the United States.

Darryl White, CEO of BMO Financial Group, said, "With the strength of our performance and our integrated North American foundation, we have never been better positioned to take this next step in our growth strategy." Last, BMO's dividend track record of 193 years should be enough assurance to would-be investors.

Recovered from the pandemic

BCE is a no-brainer choice like BMO. At $68.06 per share (+4.79% year-to-date), the dividend yield is 5.23%. The $61.99 billion telco titan should hold up well regardless of the economic environment. BCE's total return in the last 46.23 years, is 79,684.87% (15.55% CAGR). Furthermore, the dividend growth streak is 13 consecutive years.

In 2021, BCE's operating revenues and net earnings grew 2.5% and 8.4% versus 2020. It generated $8 billion in cash flows from operating activities, a 3.3% year-over-year increase. As of December 31, 2021, free cash flow was $2.99 billion. Management said, "Our financial and operating performance in 2021 has largely recovered from the effects of COVID-19."

For 2022, BCE projects revenue growth between 1% and 5%. Adjusted EBITDA (2% to 5%) and free cash flow (2% to 10%) should likewise grow handsomely. Management plans to increase its common share dividend by 5.1% this year.

Wild market

Expect a wild market as the global economy reels from the armed conflict in Eastern Europe. However, owning durable stocks like BMO and BCE should calm your fears.

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cliew