Worried About a Market Pullback? 3 Defensive Dividend Stocks to Hold in 2022

Description

The Bank of Canada (BoC) moved forward with the largest single-day interest rate hike in two decades on April 13, 2022. A recent survey of economists from Finder revealed that respondents expect four more rate hikes before the end of the year. More interestingly, economists predicted that we would see a recession in Canada in 2023 or 2024. Investors need to be prepared for turbulence in the face of this aggressive rate-tightening path. Today, I want to look at three defensive dividend stocks that could provide protection in your portfolio. Let's jump in.

Utilities proved to be a strong hold during previous market pullbacks

Emera (TSX:EMA) is a Halifax-based company that is engaged in the generation, transmission, and distribution of electricity to various customers. Shares of this dividend stock have climbed 3.4% in 2022 as of close on April 20. The stock is up 11% year over year.

The company released its fourth-quarter and full-year 2021 results on February 14, 2022. In Q4 2021, Emera reported adjusted net income of $168 million, or $0.64 per common share — down from $188 million, or $0.75 per common share, in the fourth quarter of 2020. Meanwhile, adjusted net income hit $723 million, or $2.81 per common share — up nicely from the prior year.

This dividend stock is trading in favourable value territory at the time of this writing. Investors worried about a market crash can rely on this utility and its quarterly dividend of $0.662 per share. That represents a solid 4% yield.

Here's a defensive dividend stock you can trust for the long term

BCE (TSX:BCE)(NYSE:BCE) is another defensive dividend stock that is worth targeting, as analysts brace for a potential market crash. This Montreal-based company is one of the top telecommunications companies in Canada. Shares of this telecom have increased 11% in the year-to-date period.

Investors can expect to see BCE’s first-quarter 2022 results on May 5. In 2021, the company delivered operating revenue growth of 2.5% to $23.4 billion. Meanwhile, adjusted EBITDA increased 3% to $9.89 billion.

Shares of this dividend stock possess a favourable price-to-earnings (P/E) ratio of 24. It offers a quarterly dividend of $0.92 per share, representing a 4.9% yield. Canadians will need these services no matter how the broader economy and market shakes out, which is why this is a stock worth trusting.

One more defensive dividend stock to target in the event of a market pullback

Enbridge (TSX:ENB)(NYSE:ENB) is the third and final defensive dividend stock I’d suggest investors snatch up before a potential market crash. This energy infrastructure giant has proven resilient even in the face of the COVID-19 pandemic. Its shares have jumped 18% so far in 2022. The stock is up 25% from the prior year.

This company is also set to unveil its first batch of 2022 results in early May. It achieved strong earnings and revenue growth in 2021. Enbridge still possesses an attractive P/E ratio of 20. The dividend stock offers a quarterly distribution of $0.86 per share. That represents a strong 5.8% yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:EMA (Emera Incorporated)
5. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aocallaghan

2. kduncombe

Category

1. Investing

Date
2025/06/28
Date Created
2022/04/24
Author
aocallaghan