



2 Canadian Dividend Stocks to Protect Your Money Through Market Volatility

Description

Over the past couple of months, we've started to see some stocks sell off, as interest rates increase and uncertainty from the war in Ukraine keeps investors on edge. But last week, we started seeing significant market volatility that seemed to impact stocks across the board, including many Canadian dividend stocks.

Up until last week, most of the stocks that had been impacted were some of the highest-risk stocks and [growth stocks](#) that had previously traded with significant premiums.

However, when almost every stock on the market is being impacted, it's crucial to ensure your portfolio is made up of the highest-quality Canadian stocks.

If you're worried about the market volatility increasing lately, here are two Canadian dividend stocks that will return passive income while also protecting your capital.

A top Canadian dividend stock with tonnes of long-term growth potential

One of the best stocks you can buy in this environment is a highly safe and reliable company like **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)).

Algonquin isn't just one of the top Canadian dividend stocks to buy now. It's on the Canadian Dividend Aristocrats list. So, we know that not only can we expect consistent increases to the dividend often, but that it's also an incredibly robust company that's capable of consistently paying cash out to investors.

One of the reasons why Algonquin is so reliable is that the services it offers — gas, water, and electricity utility services — are all highly defensive. Both residential and commercial customers rely on these services, making them highly recession proof. Plus, because they are all well diversified in several different states across the U.S., the business is extremely low risk.

This is what makes Algonquin such an excellent investment and one of the best dividend stocks to buy

that can protect your capital in this environment.

Plus, in addition to its utility assets, which make up about 70% of Algonquin's business, it also has several attractive green energy assets providing the company with tonnes of long-term growth potential.

If you're worried about the economic environment and want to buy super high-quality and safe stocks to help protect your capital, Algonquin and its 4.4% dividend [yield](#) make it one of the best Canadian stocks you can buy now.

A top Canadian consumer staple stock

Algonquin, as well as almost every utility stock, are typically some of the safest investments you can make. But in addition to utilities, a high-quality consumer staple stock such as **North West Company** ([TSX:NWC](#)) can also help to protect your capital. That's why North West is one of the best Canadian dividend stocks to buy in this environment.

First off, the company mainly sells food and other essential items that consumers need to purchase, which is why its sales are so reliable and so robust. However, besides just being a consumer staple, there are tonnes of attractive features of North West's businesses.

Because it operates mostly in northern regions such as Alaska and northern Canada, the stock faces less competition. Furthermore, it's been improving its business operations and its supply chain in order to improve its costs and grow its margins.

And just like Algonquin, North West is also a Dividend Aristocrat. So, it's not surprising that it's one of the best Canadian dividend stocks to buy now.

Therefore, if you're an investor that's worried about this increasing volatility in markets, North West offers a 4.2% dividend yield and is one of the best Canadian dividend stocks to buy now.

CATEGORY

1. Dividend Stocks
2. Investing

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2. TSX:AQN (Algonquin Power & Utilities Corp.)
3. TSX:NWC (The North West Company Inc.)

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