



Rising Volatility: Strengthen Your Portfolio With These 3 Safe Dividend Stocks

Description

The Federal Reserve has signaled aggressive rate hikes to tackle the inflationary environment, with inflation at a 40-year high. So, the expectation of multiple rate hikes, rising COVID-19 cases and lockdowns in China, and the ongoing Russia-Ukraine war have all made investors nervous, increasing the volatility in the equity markets.

So, given the uncertain outlook, I believe investors should strengthen their portfolios by adding the following three safe [dividend stocks](#). Due to their stable cash flows and regular payouts, these three companies are less susceptible to market volatility.

Waste Connections

First on my list is **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)). The company collects, transfers, and disposes of solid, non-hazards waste primarily in exclusive or secondary markets. It also undertakes strategic acquisitions to expand its business and strengthen its market share. Despite its acquisitions, the company has maintained its adjusted EBITDA above 30%, which is encouraging.

Given the essential nature of its business, the economic cycles will not have much of an impact on Waste Connections's financials. The rising oil demand and prices have increased exploration and production activities, increasing the demand for its services. Also, the company has planned to make capital investments of US\$850 million this year. So, considering these initiatives, I believe the company's dividend is safe.

Meanwhile, Waste Connections currently pays a quarterly dividend of US\$0.23/share, with its forward yield at 0.7%. Although its dividend yield is lower, it has rewarded its shareholders by raising its dividend by over 10% every year for the last 11 years. So, I believe [Waste Connections is an excellent buy in this volatile environment](#).

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is my second pick. It is involved in the low-risk utility business and renewable power generation. The company sells a substantial percentage of its power through long-term PPAs, which provide stability to its financials. Supported by these low-risk and regulated businesses, the company has made double-digital dividend hikes for the last 10 years. With a quarterly dividend of US\$0.1706/share, its forward yield stands at a healthy 4.47%.

Meanwhile, Algonquin Power & Utilities has planned to invest around US\$12.4 billion from 2022 to 2026, expanding its utility and renewable assets. Of these planned investments, the company expects to spend US\$4.3 billion in 2022 itself, which includes the acquisition of New York American Water and Kentucky Power. The company could also benefit from the increased transition towards clean energy. So, I believe Algonquin Power & Utilities is an excellent defensive bet.

NorthWest Healthcare Properties REIT

My final pick is **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)), which owns and operates 224 healthcare facilities spread across multiple countries. The company has signed long-term agreements with tenants, with the [weighted average lease expiry standing at 14.3 years](#). A substantial percentage of the company's tenants enjoy government backing. So, the company's occupancy and collection rate remain higher irrespective of the state of the economy.

Meanwhile, the company last week closed the acquisition of \$765 million worth of assets in the United States. It also focuses on expanding its business in Australia, Europe, and Canada, with a robust pipeline of projects. So, these investments could boost the company's cash flows in the coming years, thus allowing it to pay dividends at a healthier yield. Currently, NorthWest Healthcare's forward yield stands at a juicy 5.84%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:WCN (Waste Connections)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
5. TSX:WCN (Waste Connections)

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