Market Correction: 3 Defensive Dividend Stocks to Buy Now

Description

North American and global markets have battled major volatility in the final weeks of April. The **S&P/TSX Composite Index** plunged 321 points on April 26, 2022. Earlier this week, I'd discussed how investors may want to respond to a potential market correction. Today, I want to look at three more defensive dividend stocks that you may want to snatch up in this turbulent market. Let's jump in.

Here's why I'm holding Hydro One in a market correction

Hydro One (TSX:H) is the first defensive dividend stock I'd look to target in this environment. This Toronto-based utility boasts a monopoly in the province of Ontario. Shares of Hydro One have climbed 3.1% week over week as of close on April 26. The stock is up 9.1% in the year-to-date period.

The company is set to release its first-quarter 2022 results in early May. In 2021, Hydro One reported adjusted net income of $965 million, or $1.61 per diluted share — up from $903 million, or $1.51 per diluted share, in the previous year. Hydro One benefited from higher peak demand and energy consumption over the full year in 2021.

This dividend stock currently possesses a solid price-to-earnings (P/E) ratio of 22. It last announced a quarterly dividend of $0.266 per share. That represents a 2.9% yield.

This defensive dividend stock can be trusted in a volatile market

BCE (TSX:BCE)(NYSE:BCE) is a Montreal-based telecommunications and media company. Its shares have increased 7.2% so far in 2022. However, BCE stock has dropped 3.2% in the week-over-week period. This is still a dividend stock I'd look to target in a market correction.

Investors can expect to see the company's first round of 2022 earnings in early May. It unveiled its final batch of 2021 results on February 3, 2022. BCE reported total revenues of $23.4 billion in 2021 — up

2.5% from the previous year. Meanwhile, adjusted net earnings increased 6% year over year to $2.89 billion. Its Media segment returned to form with 7.3% total revenue growth. Moreover, adjusted EBITDA jumped 3% to $9.89 billion.

Shares of BCE are trading in favourable value territory at the time of this writing. It offers a quarterly dividend of $0.92 per share, which represents a strong 5.2% yield.

One more defensive dividend stock to own today

Back in March, I'd discussed why soaring food prices should spur Canadian investors to snatch up grocery retail equities. **Empire Company** (TSX:EMP.A) is one of the top grocery retailers operating in Canada. This defensive dividend stock has increased 10% in the year-to-date period. The stock is down 3.4% over the past week.

The company released its third-quarter fiscal 2022 results on March 10. It posted earnings per share growth of 16% to $0.77. Meanwhile, same-store sales increased 8.3% from the prior year. Better yet, free cash flow jumped 75% to $551 million.

This dividend stock possesses an attractive P/E ratio of 15. It last paid out a quarterly dividend of $0.15 per share. This represents a modest 1.4% yield.

CATEGORY

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2. TSX:BCE (BCE Inc.)
3. TSX:EMP.A (Empire Company Limited)
4. TSX:H (Hydro One Limited)

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