Market Pullback: 4 Defensive Dividend Stocks to Hold

Description

North American markets have been throttled in the spring of 2022. Investors have been forced to navigate an inflationary climate while policy makers race to mitigate the pain with a slew of interest rate hikes. Moreover, the ongoing Russia-Ukraine war has stoked major geopolitical tensions and led to turmoil in the oil and gas sector. Today, I want to look at four defensive dividend stocks that can offer some protection in this uncertain environment.

Fortis is still one of my favourite defensive dividend stocks

Fortis (TSX:FTS)(NYSE:FTS) is a St. John's-based utility holding company. Shares of this dividend stock have increased 3.9% in 2022 as of early afternoon trading on May 12. The stock is up 14% in the year-over-year period. I'm looking to buy and hold this future Dividend King in this market pullback.

The company released its first-quarter 2022 results on May 4. It reported adjusted net earnings of $369 million — up 9% from the previous year. Fortis has laid out an aggressive capital plan that will bolster its rate base going forward. This, in turn, should support annual dividend growth of roughly 6% through the middle of this decade. Fortis has already achieved 47 straight years of dividend growth. It offers a quarterly dividend of $0.535 per share, which represents a 3.4% yield.

Here's why you can trust this grocery retailer in a market pullback

Empire Company (TSX:EMP.A) is one of the top food retailers in Canada. It owns and operates top retail brands like Sobeys, IGA, and Farm Boy. I'd suggested that investors target these equities, as food prices have erupted in 2022. Shares of Empire are up 7.1% so far this year.

In Q3 fiscal 2022, the company delivered earnings-per-share growth of 16% to $0.77. Meanwhile, free cash flow jumped 75% to $551 million. Shares of Empire possess an attractive price-to-earnings (P/E) ratio of 14. It offers a modest quarterly dividend of $0.15 per share.

This dividend stock offers a strong yield right now

BCE (TSX:BCE)(NYSE:BCE) is a telecommunications giant that has been a steady source of capital growth and income for shareholders over the past decade. That makes it a nice target in a market pullback. Its shares have increased 2.7% in the year-to-date period. BCE is up 15% from the same time in 2021.

Investors got to see its first-quarter 2022 earnings on May 5. It posted adjusted net earnings of $811 million — up 15% from the previous year. Meanwhile, adjusted EBITDA jumped 6.4% to $2.58 billion. This dividend stock possesses a solid P/E ratio of 20. It recently declared a quarterly dividend of $0.92 per share, representing a strong 5.4% yield.

One more stock to snatch up in this uncertain market

Corby Spirit and Wine (TSX:CSW.A) is the fourth and final dividend stock I'd look to snatch up in this market pullback. The alcohol industry has proven resilient during previous times of economic turmoil. Shares of Corby have climbed 10% in the year-to-date period.

This dividend stock possesses an attractive P/E ratio of 18. Better yet, it offers a quarterly dividend of $0.24 per share. That represents a 5.2% yield.

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CSW.A (Corby Spirit and Wine Limited)
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aocallaghan