



Retirees: 2 Hot Dividend Stocks to Shield You From Market Volatility

Description

Retirees have seen their portfolios suffer a one-two hit of late, with the vicious selloff in the stock and bond market. Indeed, many retired investors may go by the 60/40 stock-to-bond allocation. And while bonds shouldn't implode hand in hand with stocks, this time around, they have. It's been hard to hide from volatility. Though bond yields have swollen accordingly, they're still not enough to generate a real return — that's a return on an after-inflation basis.

A market with few places to hide

Unless inflation rolls over, retirees will continue to have it hard. It's an unnerving time with broader volatility spreading to other safe-haven assets like gold (and other precious metals), REITs (real estate investment trusts), and cryptocurrencies. Cash is still important at a time like this. Liquidity always matters, even if the tax (the rate of inflation) you'll get dinged is at the highest level it's been in many years. Though you'll pay the price for hoarding cash in savings, you will be able to take advantage of big dips like the ones we saw last week.

When dividend stocks go into free fall, you need cold, hard cash to be a buyer. And in this piece, we'll check out two that retirees may wish to buy today and hold forever. Each stock is not only poised to deliver big dividend hikes, but they're also able to offer diversification benefits to move through today's challenging macro environment.

Commodities: The last great safe haven?

Without further ado, consider **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), two great TSX stocks that could act as hiding places as markets roll over.

Nutrien

Nutrien is a fertilizer company that few folks have talked about for many years. The firm, formed from

the merger of Agrium and Potash Corp of Saskatchewan, suddenly became one of the hottest stocks in the stock market. While it always has been a top potash producer, it took the horrific Ukraine-Russia war for prices in agricultural commodities to take off.

Moving forward, I expect Nutrien's windfall isn't going anywhere. If anything, the growing global demand for higher crop yields could continue to fuel higher potash, nitrogen, and phosphorus prices. For years, Nutrien stock has been a perennial underperformer, but these days, it's a must-own diversifier.

Up 40% year to date, the \$70.5 billion Canadian fertilizer company has strong momentum behind it. Still, the stock has gotten cheaper with time. At 12.65 times trailing earnings, Nutrien is a cash cow whose tailwinds may still be underestimated by investors, especially those with no commodity exposure.

The dividend may have shrunk (from over 3% to under 2%), but a good number of dividend increases could be on the horizon, as the firm continues generating record amounts of cash.

Enbridge

Enbridge stock's [main attraction](#) has usually been its 6.1% dividend yield. These days, though, the stock has a lot more going for it: price momentum. Year to date, shares are up more than 14%. And that's thanks in part to the historic rise in energy prices. Though the midstream players aren't as sensitive to the spike in oil prices, Enbridge will benefit from the increased demand for domestic energy.

Indeed, the Ukraine-Russia crisis is a major reason why oil is as elevated as it is right now. Further, the many young investors who ditched their fossil fuel plays in a euphoric 2020 may wish to get back in. Like it or not, energy is one of the last places to [hide](#) in this market. With a modest 19.6 times earnings and a rich dividend, ENB stock strikes me as a buy on strength.

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