Worried About a Market Pullback? 3 High-Yield Dividend Stocks to Stash

Description

The recent market pullback may remind investors of the violent correction that plagued stocks in February and March 2020. At the time, there were concerns that the COVID-19 pandemic could lead to a deep and prolonged bear market. Investors who jumped on this opportunity were rewarded over the next two years. Canadians should remember that correction and look to take similar advantage in 2022.

Today, I want to look at three high-yield dividend stocks that are worth stashing in this climate.

Here's a super diversified stock to hold in the face of a market pullback

Great-West Lifeco (TSX:GWO) is the first dividend stock I'd look to snatch up in this market pullback. This Winnipeg-based company is engaged in the life and health insurance, and financial services businesses in North America and Europe. Shares of this dividend stock have dropped 11% in 2022 as of close on May 20. That pushed the stock into negative territory in the year-over-year period.

This company released its first-quarter 2022 results on May 4. Great-West reported total earnings of $809 million — up from $739 million in the previous year. Meanwhile, choppy equity markets led to a marginal decline in total assets under administration (AUA) to $2.2 trillion.

Shares of this dividend stock possess a favourable price-to-earnings (P/E) ratio of 9.7. It offers a quarterly dividend of $0.49 per share. That represents a very strong 5.8% yield.

This high-yield dividend stock offers exposure to the green energy space

The market pullback should also spur investors to buy dividend stocks like **Algonquin Power & Utilities** (TSX:AQN)(NYSE:AQN). This Oakville-based company owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets in North and South America. Utility stocks have proven to be a reliable hold in the face of market turmoil. Shares of Algonquin are up 1.9% so far in 2022.

In Q1 2022, the company posted revenue growth of 16% to $735 million. The company reported adjusted net earnings of $141 million, or $0.21 per share — up 13% and 5%, respectively, from the previous year. Meanwhile, adjusted EBITDA climbed 17% to $330 million.

This dividend stock is trading in favourable value territory compared to its industry peers. Algonquin last paid out a quarterly dividend of $0.181 per share, representing a strong 5.1% yield.

Why I'm targeting this dividend stock in the restaurant sector

Restaurant Brands International (TSX:QSR)(NYSE:QSR) is a Toronto-based quick-service restaurant company that owns and operates top brands like Burger King, Tim Hortons, and Popeyes Louisiana Chicken. Last summer, I'd suggested that Canadian investors jump back into the restaurant space as the country reopened. Its shares have dropped 13% so far in 2022.

Investors got to see RBI's first-quarter 2022 earnings on May 3. Total revenues rose to $1.45 billion compared to $1.26 billion in the previous year. Meanwhile, adjusted EBITDA was reported at $530 million — up from $480 million in the first quarter of 2021. This dividend stock last had an RSI of 29, which puts RBI in technically oversold territory. It offers a quarterly distribution of $0.54 per share. That represents a 4.3% yield.

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