



## 1 Passive-Income Stock to Counter Volatility

### Description

The market has dipped sharply in 2022, all but erasing the post-COVID gains and enthusiasm of just a few months ago. That sudden return of volatility has many investors on edge, with many looking for a viable stock that will counter volatility now and tomorrow.

Fortunately, there are some great stocks on the market that accomplish that feat. Here's one to consider adding to your portfolio now.

### What you need is a defensive investment...

During times of volatility, finding the right investments takes time and a lot of patience. For those that are new to investing, it can be downright confusing. That's just one reason why the need for a defensive stock that is largely immune to the volatile market is essential.

That defensive stock to consider is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE is best known as one of the largest and oldest telecom companies in Canada.

BCE's telecom business offers wireless, wired, internet, and TV service to subscribers across the country. Those services, particularly the wireless and internet segments have grown in necessity over the past few years.

That growth only accelerated under the pandemic when more of us moved to remote learning and working environments. Even better, some of that shift has become permanent, only adding to what was already an impressive moat.

BCE is one of the big telecoms in Canada, and its massive infrastructure is unmatched by its peers. This puts the company in an advantageous position, and I haven't even mentioned 5G.

BCE continues to rollout its 5G network to a greater portion of Canada. In the most recent quarter, that coverage hit 75%. Investors should note that 5G greatly increases the speed and quality of downloads, which in turn will consume more data. As the purveyor of that data, it's a win-win for BCE.

Speaking of segments and moats, let's not forget BCE's *other* business. Apart from its core subscription business, BCE also boasts a massive media arm. That media segment comprises dozens of radio and TV stations across the country, which are complementary to its core subscription business.

It sounds like the perfect investment to counter volatility now and tomorrow. But wait, there's more...

## You can earn a great income, too

Finally, let's not forget that BCE's subscription-based businesses generate a reliable monthly revenue stream, which gets passed on to investors in the form of a dividend.

BCE has been paying out dividends for well over a century without fail. The company has also provided investors with handsome annual upticks to that dividend, stemming back well over a decade.

The current yield, which is paid out on a quarterly cadence, works out to 5.45%. This means that a \$35,000 investment in BCE will earn an income of just over \$1,900 in the first year. Factor in annual upticks and dividend reinvestments, and that income will grow very quickly.

It's the perfect answer to counter volatility now and tomorrow.

## To counter volatility, you do need to buy the stock

With the market appearing poised to step on the brakes, some investors may be inclined to not invest right now and instead wait out the market. That position is often backed by a sentiment of fear.

Here's the thing, though. When the market is on a low, what better time is there to buy? The current climate reminds me of the famous quote by [Warren Buffet](#): "Be fearful when others are greedy and greedy when others are fearful."

What we're seeing now is the market being fearful. In other words, it's a great time to be greedy and buy some great stocks like BCE at a discount.

Go on; be greedy.

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2. Investing

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