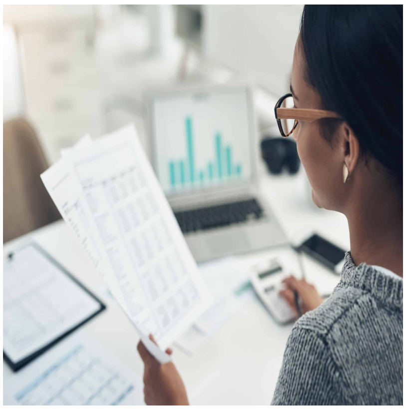

Navigating the Correction: Start Buying These 3 Dividend Stocks

Description

On Monday, stocks plummeted once again. Of course, it's disappointing to see positions grow weaker by the day, but we've reached a point where investors shouldn't be surprised by those kinds of days. Although we're not officially in a correction, the market is certainly trending in that direction. With that in mind, I think investors should start focusing on dividend stocks. Historically, those stocks have outperformed growth stocks. Here are three dividend stocks you should start buying!

Buy one of the banks

Through the pandemic, Canadian banks have been seeing record profits. This shouldn't change in the coming months, as interest rates continue to rise. Historically, banks and other financial institutions have seen a widening in profit margins as interest rates increase. That makes these sorts of companies very attractive in today's economy. Of the Big Five Canadian banks, my top pick is **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS).

I've long preached about Bank of Nova Scotia's excellent diversification. Nearly a third of its earnings in 2021 came from sources outside of Canada. At its last earnings presentation, the company reported that it saw a 50% year-over-year increase in income, with respect to its international business. That supports the notion that Bank of Nova Scotia's international business will continue to drive growth.

Consumers will continue to rely on this company

When thinking about a correction or even a recession, it's important that investors focus on companies that operate in areas that shouldn't be too affected. For example, regardless of what the economy looks like, consumers will continue to buy groceries. That makes grocery companies a very defensive pick in this situation. If I had to choose one grocery company to add to a portfolio today, it would be **Metro** (TSX:MRU).

Metro is the third-largest grocery company in Canada. It operates about 950 locations under the Metro, Metro Plus, Super C, and Food Basics banners. This company also operates nearly 650 pharmacy locations under several different banners. What impresses me about Metro is its long history of raising dividends. It holds a 26-year dividend-growth streak. That suggests to me that the company is capable of allocating capital very intelligently, which should help it navigate this rough period in the market.

An important Canadian company

Finally, investors should consider investing in **Telus** (TSX:T)(NYSE:TU). This company operates the largest telecom network in Canada. Its network has the capability to provide coverage to 99% of Canada's population. Aside from its telecom business, investors should take note of Telus's presence within the healthcare industry.

In that respect, Telus is very diversified. It provides several different products and services to healthcare professionals. Telus also offers MyCare, which is its telehealth app. Using that product, patients can seek medical attention from the comfort of their own homes.

Telus is another excellent dividend stock. It has increased its distribution in each of the past 17 years. If you're looking for a bit of passive income through this sort of market, then Telus could be a good pick-up.

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jedlloren