Market Correction: 3 Dividend Stocks to Hold in Your TFSA

Description

The **S&P/TSX Composite Index** was down over 500 points in late-morning trading on June 16. This is the second day this week that the TSX has suffered a +500-point loss. It remains to be seen whether stocks can broadly stage a comeback. In any case, Canadian investors are facing the most challenging market climate since the March 2020 market correction.

Today, I want to look at three dividend stocks that you can trust in your TFSA going forward. Let's dive in.

This super energy stock can provide big income in a market correction

Enbridge (TSX:ENB)(NYSE:ENB) is the first dividend stock I'd look to snatch up in this market correction. This energy infrastructure giant has delivered over a quarter century of annual dividend growth. Shares of Enbridge have plunged 8.6% week over week at the time of this writing. The stock is still up 7.6% in the year-to-date period.

Investors got to see the company's first-quarter 2022 results on May 6. It delivered adjusted earnings of $1.7 billion, or $0.84 per common share — up from $1.6 billion, or $0.81 per common share. Enbridge also reported adjusted EBITDA of $4.1 billion compared to $3.7 billion in the previous year.

Shares of this dividend stock last had a favourable price-to-earnings (P/E) ratio of 18. It offers a quarterly dividend of $0.86 per share, which represents a tasty 6.4% yield.

Here's a dividend stock you can trust for years to come

Hydro One (TSX:H) is a Toronto-based electricity transmission and distribution company. It boasts a monopoly in Canada's most populous province. Shares of this dividend stock have still increased marginally in the year-to-date period. The stock has dropped 6.2% month over month.

The company unveiled its first-quarter 2022 earnings on May 5. Earnings per share increased 15% year over year to $0.52. Meanwhile, revenues rose to $2.04 billion compared to $1.81 billion in the previous year. Net income attributable to common shareholders came in at $310 million — up from $268 million in the first quarter of 2021. Investors can trust this dependable profit machine in this market correction and for the long haul.

This dividend stock possesses an attractive P/E ratio of 19. Moreover, it offers a quarterly dividend of $0.28 per share. That represents a 3.3% yield.

One more dividend stock to hold in a market correction

Empire Company (TSX:EMP.A) is one of the top grocery retailers in Canada. It owns and operates top brands like Sobeys, Farm Boy, Freshco, Foodland, and others. Grocery retail stocks proved to be a reliable hold during the 2020 market correction. Shares of this dividend stock have increased 5% so far this year.

Investors can expect to see Empire's fourth-quarter and full-year fiscal 2022 results on June 22. In Q3 FY2022, Empire delivered earnings-per-share (EPS) growth of 16% to $0.77. Meanwhile, its EBITDA margin improved by 50 basis points. Better yet, free cash flow surged 75% year over year to $551 million. Empire stock possesses an attractive P/E ratio of 14. It offers a quarterly dividend of $0.15 per share, which represents a modest 1.4% yield.

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3. TSX:ENB (Enbridge Inc.)
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