3 Safe Dividend Stocks for Beginners to Buy in a Market Correction

Description

Dividend stocks can be useful assets to hold during stock market corrections. Even if you see your investments decline, you can still collect dividend cash returns. Likewise, as those dividends come in, you can re-invest the proceeds into more stocks at lower prices. Dollar-cost averaging can be a great way to layer into stock positions for the long run.

It is impossible to know when the stock market will flatline and recover. However, market corrections can be great opportunities to buy stocks in great businesses at excellent prices. If you are looking for a combination of safety, value, and income today, here are three dividend stocks to consider right now.

TELUS: Safety, growth, and income

TELUS (TSX:T)(NYSE:TU) is one of my favourite Canadian dividend stocks. Firstly, as one of Canada's largest telecommunication businesses, it is recession resilient. Every individual and business needs internet and cellular coverage in our modern world. Most plans are on contract. If TELUS's service offerings remain competitive, it will earn reliable cash flows.

Secondly, it has a long history of growing its dividend. Over 15 years, it has grown its annual dividend rate by 8.6%. After an intense capital investment cycle, the company expects outsized cash flow and dividend growth in the coming few years. After the pullback, its valuation is more attractive, and its dividend yield is elevated at 4.7%.

Thirdly, TELUS is building out digital tech platforms in customer experience, agriculture, and virtual health. Each of these are growing significantly faster than its telecom business. In fact, its health division just announced a massive $2.9 billion acquisition of digital health provider **LifeWorks**.

All-in, these digital verticals could create a lot of value for shareholders over time. Combine this with steady dividend growth, and TELUS looks like a solid safe stock to buy today.

Fortis: The ultimate dividend-growth stock

Fortis (TSX:FTS)(NYSE:FTS) is one of the most defensive dividend stocks you can buy on the **TSX**. It operates a mix of electric and gas transmission utilities across North America. Gas and electricity are essential services. As a result, Fortis collects regulated streams of cash flows that support its dividend.

Fortis has paid and grown its dividend for 48 consecutive years. While it only pays a 3.6% dividend yield today, it projects 5-6% annual dividend growth for the next three years at least. While this stock offers only limited growth, it is a safe, low-volatility dividend stock to hold as an anchor in any portfolio.

Granite REIT: A defensive dividend stock for the long term

It isn't often that you can buy **Granite Real Estate Investment Trust** (TSX:GRT.UN) so cheaply with a near 4% dividend yield.

Granite is one of the largest industrial landlords listed on the TSX. It has large-scale logistics and manufacturing properties across Canada, the United States, and Europe. It has a high-quality tenant list, and its average lease term is over five years.

While rising interest rates are pushing down real estate sentiment, Granite has an incredible balance sheet. Its debt profile is long dated at historically low interest rates.

In the meantime, rental rates continue to rise. That is supporting strong low-teens cash flow-per-unit growth. This TSX stock has a long history of increasing its dividend annually. This year will likely be no different.

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2. NYSE:TU (TELUS)
3. TSX:FTS (Fortis Inc.)
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robbybrown