Retirees: Safeguard Your Portfolios With These 2 Stocks

Description

The **S&P/TSX Composite Index** is down by 13.91% from March 22, 2022, at writing. It is at the lowest point it has been in over 13 months. The impact of record inflation, several interest rate hikes, and several geopolitical issues has affected Canadians of all ages. Canadian retirees are concerned about the safety of their retirement portfolios amid increasing uncertainty in the market.

Share prices declining across the board presents an opportunity for value-seeking investors to scoop up shares of high-quality stocks at heavily discounted rates. Typically, investing in undervalued stocks could be considered a long-term strategy to enjoy outsized returns when the stocks climb to more reasonable valuations.

Investing in defensive stocks might be the best way to go for Canadian retirees worried about their investment returns. The current pullback in the Canadian equity market has seen stocks across the board go into the red.

Canadian retirees seeking security from the uncertainty's impact might want to consider investing in these two discounted but defensive dividend stocks.

Telus

Telus (TSX:T)(NYSE:TU) is a $38.14 billion market capitalization giant in Canada's largely consolidated telecom sector. The Vancouver-based telecommunications company offers a wide range of information technology and telecom products to its customers throughout Canada.

The company is considered an essential service provider due to the role telecoms play in this day and age. Its cash flows could be regarded as relatively more secure than many other sectors of the economy.

Telus stock trades for $27.62 per share at writing, and it pays its shareholders at a juicy 4.90%dividend yield. Its share prices are down by almost 20% from its April 2022 high. Investing in its sharesat current levels could mean locking in its inflated dividend yield to secure higher-yielding payouts.

Hydro One

Hydro One (TSX:H) is a $19.81 billion market capitalization company based in Toronto that owns and operates regulated transmission and distribution assets in Ontario. The company is the area's largest electricity provider.

The company also operates a telecom business that accounts for only 1% of its annual revenue. Its cash flows largely come through its electricity transmission services, which account for 60% of its revenue. It is an essential service provider that enjoys virtually guaranteed cash flows.

Hydro One stock trades for $33.08 per share at writing, and it pays its shareholders at a 3.38% dividend yield. Its share prices are down by 7.73% from its April 2022 levels. Investing in its shares at current levels could give you the chance to capitalize on its juicy dividend yield and the potential for capital gains when the dust settles and things get better.

Foolish takeaway

Stock market investing is inherently risky, and market downturns like the current one clearly highlight why. It is possible for even the highest-quality publicly traded companies to go through significant declines during harsh market environments.

However, dividend stocks with wide economic moats and boasting strong fundamentals can continue providing investors with shareholder dividends to mitigate some of the losses through reliable payouts.

It remains to be seen when the stock market will recover from the current slump. Investing in high-quality dividend stocks that are likely to continue distributing shareholder dividends could be the best option for Canadian retirees. Telus stock and Hydro One stock are two income-generating assets with defensive qualities that could make them ideal for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:H (Hydro One Limited)
3. TSX:T (TELUS)

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