3 of the Safest Dividend Stocks to Buy Amid Recession Fears

Description

Adding safe dividend stocks to your portfolio always pays off well — especially in times of economic uncertainties. In the last few weeks, stocks have started spiraling down with growing fears about an upcoming recession and continued inflationary pressures affecting companies' earnings. Nonetheless, some reliable companies usually keep rewarding their investors with handsome dividends even in difficult economic conditions like a recession.

In this article, we'll look at three of the safest dividend stocks in Canada that I find worth buying even amid recession fears.

Enbridge stock

When it comes to reliable dividend stocks in Canada, it's very difficult to exclude **Enbridge** (TSX:ENB)(NYSE:ENB) from the list. This Calgary-based energy transportation services company currently has a market cap of about $108 billion. Enbridge currently has a strong dividend yield of around 6.5% as its stock trades at $53.35 per share with 8.1% year-to-date gains.

In 2021, it reported a 13.2% YoY (year-over-year) jump in its adjusted earnings to $2.74 per share, posting a spectacular recovery from COVID-driven challenges. As the demand outlook for energy products remains strong for the coming years, I expect Enbridge's financials to continue growing positively, which should help its stock soar. Interestingly, the energy company has increased its dividend per share by about 58% in the last five years, making it a trustworthy dividend stock to consider buying now.

BCE stock

The Canadian communication giant **BCE** (TSX:BCE)(NYSE:BCE) could be another great addition to your dividend stock portfolio. After rising 5.3% in the first quarter, its stock has seen a 10.5% value erosion in the second quarter due mainly to the recent broader market correction.

In the March quarter, BCE's total revenue rose by 2.5% YoY to $5.85 billion. With this, the company's wireless service segment posted its best quarterly organic revenue growth in 11 years. Strong performance across segments and lower costs helped BCE register a 14.1% YoY growth in its adjusted earnings for the quarter.

As the communication company strives to expand its fiber internet and 5G network further, its financial growth outlook for the coming years looks solid. Besides these positive factors, BCE's handsome dividend yield of around 5.5% makes it a safe and attractive stock to buy now.

Scotiabank stock

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is the third stock on my list of safe dividend stocks to buy amid recession fears. Its stock currently trades with 14.2% year-to-date losses at $77.94 per share after diving by more than 10% in June itself. Scotiabank's April quarter results exceeded analysts' estimates, and it registered a 14.7% YoY jump in its adjusted earnings to $2.18 per share. As its post-pandemic era financial recovery continues, the bank's Canadian banking segment earnings grew positively by 27% YoY with the help of lower provisions of credit losses and higher revenues.

Rising interest rates across North America to fight inflation will likely help Scotiabank increase its interest income in the coming quarters with expanded margins. Given that a recent dip in its stock amid recession fears could be an opportunity for long-term investors to buy this safe dividend stock at a bargain. Currently, it offers a dividend yield of around 5.2%.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:BNS (The Bank of Nova Scotia)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:BNS (Bank Of Nova Scotia)
6. TSX:ENB (Enbridge Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date
2025/08/24
Date Created
2022/06/23
Author
jparashar