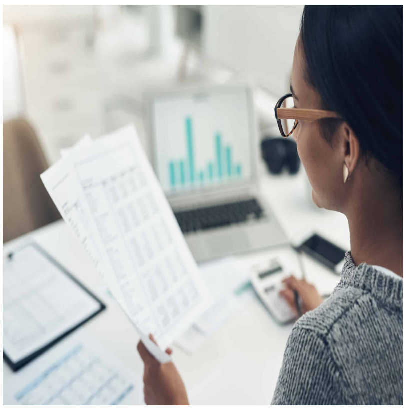

Market Correction: 2 Dividend Stocks to Hold for Dear Life

Description

The U.S. Federal Reserve recently held another meeting after May to enact yet another interest rate hike across the border. Equity markets in the U.S. and Canada appear to be falling off a cliff, since the U.S. Fed announced its most significant interest rate hike since 1994.

The **S&P/TSX Composite Index** is down by 14.45% from its 52-week high. The Canadian benchmark index has hit its lowest levels in the last 13 months.

It might be too early to call the current correction a full-blown market crash, but if there has ever been a time to consider that we are experiencing a stock market crash in recent years, now could be it. We still need to hold on and see whether the stock market puts up a strong V-shaped recovery, as it did after the pandemic-induced February and March 2020 downturn.

Regardless, Canadian investors of all ages are facing some of the most challenging market conditions since the pandemic struck. While stocks across all sectors of the economy are in the red right now, investing in dividend stocks could provide you with a degree of relief through reliable shareholder dividends.

Today, I will discuss two Canadian dividend stocks with a reputation for reliably distributing shareholder dividends during harsh market environments. It might be worth adding these stocks to your portfolio to enjoy some returns through payouts, as you wait for the market to calm down.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a $107.36 billion market capitalization multinational pipeline company headquartered in Calgary. The company owns and operates an extensive network of midstream assets, transporting traditional fossil fuel energy products throughout Canada and the U.S.

Its pipeline network transports a significant portion of all hydrocarbons used in Canada and the U.S., making it a vital company in the region’s economy. Enbridge stock trades for $52.98 per share at writing, and it pays its shareholders at an inflated 6.49% dividend yield. It could be an excellent addition to your portfolio to generate dividend income amid the current market weakness.

Hydro One

Hydro One (TSX:H) is a $19.81 billion market capitalization utility holding company headquartered in Toronto. The company owns and operates regulated electricity transmission and distribution assets in Ontario. It is the region's most significant electricity provider, serving almost 1.5 million customers, making it an essential business.

Hydro One stock trades for $33.08 per share at writing, and it pays its shareholders at a juicy 3.38% dividend yield. Investing in its shares can give you the peace of mind that its cash flows are secure. The company will likely continue delivering reliable shareholder distributions through the harsh market environment.

Foolish takeaway

Stock market investing is inherently risky, and many investors are even offloading shares of the most reliable TSX stocks. Market corrections are tough on everyone, making it difficult for saner investment decisions to prevail. You might feel inclined to exit the stock market entirely to protect your investment capital.

However, allocating a portion of your funds to buying shares of reliable income-generating assets could offset some of the losses you might face right now. Investing in Enbridge stock and Hydro One stock could provide you with returns through shareholder dividends that can keep lining your account balance with some cash, as you wait for the market to settle down.

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