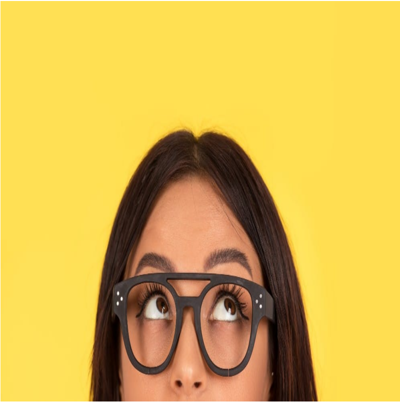

Recession Worries? Try Buying These 2 Stocks

Description

The Canadian stock market has been in turmoil in recent weeks after the aggressive interest rate hikes by central banks in Canada and the U.S. started rocking the boat. The last few weeks have seen high-quality stocks nosedive in a correction spurred by continued fears of a stock market crash.

Investors are pulling out of the market left, right, and centre. Most people want to flee risk and protect their investment capital from the impact of a recession. However, not all companies present a significant capital risk.

Reliable companies with resilient operations, wide economic moats, and the ability to deliver shareholder dividends can be viable assets to buy and hold, even during harsh economic environments like a recession.

Today, we will look at two high-quality, income-generating assets you could consider adding to your portfolio amid recession fears.

Bank of Nova Scotia

Bank of Nova Scotia (TSX:BNS)(NYSE:BNS) is a $92.61 billion market capitalization Canadian multinational banking and financial services company. Headquartered in Toronto, Scotiabank is among Canada's Big Six banks.

The company's performance in the April-ending quarter exceeded analyst expectations. Scotiabank registered a 14.7% year-over-year jump in its adjusted earnings, and its domestic banking segment's earnings grew by 27% in the same period.

Scotiabank stock trades for $76.89 per share at writing and boasts a juicy 5.36% dividend yield. Scotiabank stock is down by 19% from its 52-week high due to the broader market correction. It could be an attractive stock to consider at current levels.

You can invest in its shares at current levels to lock in the inflated dividend yield and enjoy wealth growth through capital gains once the market normalizes and it regains momentum on the **TSX**.

BCE

BCE (TSX:BCE)(NYSE:BCE) is a $57.82 billion market capitalization giant in the Canadian telecom industry. The company's performance in recent quarters has been prolific. Its March-ending quarter saw total revenues rise by 2.5% year over year. BCE stock also registered a 14.01% growth in its adjusted earnings in the same period. The company's wireless segment saw its best quarterly growth in 11 years.

BCE stock trades for $63.53 per share at writing and boasts a juicy 5.79% dividend yield. BCE stock is down by 3.78% from its 52-week high, showing its resilience compared to the broader market during volatile market conditions. Investing in its shares could be a viable way to add a reliable income-generating asset to your investment portfolio.

Foolish takeaway

Dividend investing has become increasingly popular among Canadian investors in 2022, primarily due to the constant uncertainty in the stock market this year. Investing in income-generating assets that can deliver reliable shareholder dividends allows you to keep growing your account balance, even when markets are volatile.

Companies with resilient operations and strong balance sheets to weather the storm of recessionary market environments can be safer assets to buy and hold in your investment portfolio. While they might not be immune to the impact of a recession, you can rely on these income-generating assets to continue lining your account balance with extra cash through shareholder dividends.

Scotiabank stock and BCE stock are two investments that could be ideal for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:BNS (The Bank of Nova Scotia)
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