



Have \$1,000? 2 All-Weather Dividend Stocks to Buy and Hold Forever

Description

The weather is changing. Winter will be long in Europe, as the continent grapples through the worst energy crisis. The economic weather is gloomy, as inflation refuses to budge against rising interest rates. Rising prices are eroding the pandemic savings of Canadians. In this extreme climate, your portfolio needs some comfort that all-weather stocks can give.

All-weather dividend stocks

When a sports vehicle's body exterior is manufactured, it is tested to survive extreme conditions. The vehicle runs through simulations, and only when the material and design are perfected to survive an impact, high speed, and extreme hot and cold temperatures is it brought to the market. Companies spend millions of dollars producing and marketing this product worldwide, as they are assured of its durability and ability to generate returns.

What if you could have a stock that has gone through rigorous testing and emerged durable and with the potential to generate income under every weather?

Here are two stocks that will pay you dividends in every weather, irrespective of the stock market's performance.

BCE stock

A telecom stock that stood the test of time and emerged as a Dividend Aristocrat is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). This company has the largest wireless communications infrastructure in Canada and has been ahead in adopting new technology. It enjoyed the wireline boom, the wireless boom, the broadband boom, and the media boom, and is now heading towards the 5G revolution.

The fifth generation (5G) technology will facilitate mission-critical applications like autonomous driving, drones, and robots. These edge devices need low-latency, high-speed internet connections to perform artificial intelligence (AI) tasks in real time. The [5G](#) technology can connect these devices to the high-

speed internet and bring AI to the edge. But this rollout will take a few years.

BCE has a strong growth story for this decade. But the question is, can it sustain a harsh environment? While there is no 100% guarantee of the future, the past shows the durability and stress test outcomes. BCE has survived the 2000 dot.com bubble, the 2008 Financial crisis, the 2018 trade war, and the 2020 pandemic.

In all the above crises, BCE never cut the dividend. The stock price appreciated in a bubble and even increased the dividend. In a market crash, the stock price fell while maintaining the dividend amount. This shows the resilience that comes from the cash flows from subscriptions.

BCE stock has survived the 2022 tech stock selloff and is currently holding strong, as the stock market reacts to recession fears. It fell 15.5% in the current market downturn, even though the company's revenue and earnings continued to grow. The company has maintained its dividend per share, which has increased its dividend yield to 5.9%. BCE is building a [record](#) of growing its dividend at an average annual rate of 5%, without breaks, and has succeeded for 15 consecutive years.

Enbridge stock

If you think BCE is a good stock, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is even better. This stock has a dividend yield of 6.3% and a 27-year record of growing dividends at a 10% average annual rate. It slowed its dividend growth to 3% during the pandemic, as oil demand bottomed out. However, the pandemic recovery has boosted the company's cash flows, and the European gas crisis put North America as a preferred gas supplier to Europe.

The gas and oil demand could be affected by a recession, but Enbridge can withstand it without compromising on dividend growth. It's pipeline infrastructure that connects Canada and the United States would make Enbridge a beneficiary in the shifting energy supply chain. I expect the company to accelerate its dividend-growth rate to 5-7% in December 2022.

Got \$1,000?

If you've got \$1,000, now is a good time to invest \$500 each in the two stocks through the Tax-Free Savings Account ([TFSA](#)) and lock in \$61 in annual dividends for a decade. The growth opportunities could help these companies increase their cash flows in the coming years and grow the \$61 dividend to over \$90 in 10 years. I am making a 10-year growth estimate, but Enbridge's and BCE's track record shows that they could continue growing dividends for 20 to 30 years.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)

4. TSX:ENB (Enbridge Inc.)

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