2 Top TSX Dividend Stocks to Buy in This Uncertain Market

Description

Uncertainty is the name of the game in this market. Indeed, for many investors, dividend stocks have been the way to play this rising-rate environment.

This year, the greatest drops we've seen in the market have generally come from high-growth sectors of the economy. Whether we're talking technology or biotech, these sectors have been beaten down to a much greater degree than dividend-paying stocks.

Why Is that?

Well, generally speaking, companies that pay dividends are profitable. They use these profits to distribute value back to shareholders. Other companies in the unprofitable bucket are being sold off, as investors look to take risk off the table.

For those looking to get defensive right now, here are two top dividends stocks I think are worth considering.

Top TSX dividend stocks to buy: Manulife

Manulife (TSX:MFC)(NYSE:MFC) has a remarkable growth story based on both organic and inorganic growth. Acquisitions have helped this company scale its core business lines based in Canada, including group benefits, insurance, retail wealth, and group retirement.

Perhaps more importantly, Manulife has seen its growth accelerate in Asia. The company has continued to acquire in key markets, consolidating its presence in large- and mid-size markets. Additionally, strategic buyouts reflect prudent usage of capital in less capital-intensive, higher-return, and high-growth businesses.

Manulife has a solid capital position as well. This company forecasts over 15% return on equity in the medium term and targets a leverage ratio of 25 over the medium term. Those are some impressive numbers.

For those seeking an industry-beating dividend yield of 6.1% in a relatively defensive market, Manulife is a great choice right now.

SmartCentres REIT

From city centres to shopping centres, **SmartCentres REIT** (TSX:SRU.UN) is uniquely placed to reshape the Canadian urban-suburban and urban landscape.

The company is focused on improving the lives of Canadians by developing and planning complete, mixed-use, connected communities on its existing retail properties. The current major development focus of this REIT is Project 512 — an announced intensification program of $15.2 billion. Construction on this project will likely commence within the next five years.

Recently, the company posted its operating and financial results for the second fiscal quarter. These numbers were very solid.

The company's earnings surged to $162 million from $97 million a year prior. This is due to impressive customer traffic numbers in the company's shopping centres. With higher leasing activity expected to continue for the remainder of the year, this is a dividend stock with a 7.1% yield I think is worth considering here.

CATEGORY

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2. NYSE:MFC (Manulife Financial Corporation)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

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