2 Canadian Dividend Stocks to Buy Amid a Market Correction for Years of Passive Income

Description

The ongoing macroeconomic uncertainties have led to a roller-coaster ride in Canadian stocks in 2022. Nearly six months ago, when stocks were trading close to their all-time highs, not many market experts predicted a market crash. However, growing economic uncertainties have dramatically changed investors' behaviour since then. In uncertain economic times like these, it becomes more important for investors to have some quality dividend stocks in their portfolio with a track record of consistently rewarding their investors with stable dividend income, irrespective of market conditions.

While the recent market selloff looks horrifying at first, it has made many fundamentally strong dividend stocks look undervalued. Given that, it could be the right time for investors to buy such dividend stocks at a bargain. In this article, I'll highlight two of the best Canadian dividend stocks you can buy right now to earn reliable passive income, even in difficult economic phases.

Quebecor stock

Quebecor (TSX:QBR.B) is a Montréal-based telecommunications and media company with a market cap of about $5.8 billion. In September so far, this Canadian dividend stock has seen 11% value erosion, as it currently trades at $25.26 per share. At the current market price, it has an attractive annual dividend yield of around 4.8%.

In the second quarter, Quebecor reported a 1.4% YoY (year-over-year) drop in total revenue to $1.1 billion, as its wireline equipment revenue fell slightly. Despite facing a highly competitive environment, the company's continued focus on operational efficiencies and financial discipline helped it post a 4.6% YoY increase in its adjusted quarterly earnings to $0.68 per share.

Quebecor might face increased challenges in the short term as inflationary pressures take a toll on advertising spending. Nonetheless, its long-term growth outlook remains strong, given the company's continued focus on expanding its telecom services across Canada for its free cash flow and EBITDA (earnings before interest, taxes, depreciation, and amortization) expansion.

Northland Power stock

Northland Power (TSX:NPI) could be another great dividend stock in Canada to buy now, especially if you're looking to generate stable passive income from stock investing. This Toronto-headquartered company owns and operates clean energy infrastructure assets in countries including Canada, the Netherlands, Germany, Latin America, and Spain.

It has a market cap of about $9.6 billion, as its stock trades with 8% year-to-date gains at $40.95 per share. At the current market price, Northland Power has a decent dividend yield of 2.9%. While this passive-income stock is continuing to outperform the TSX benchmark on a year-to-date basis, it has seen a 9% value erosion in September so far due mainly to a market-wide selloff.

The ongoing growth trend in Northland Power's financials looks solid, as it reported adjusted net earnings of $1.01 per share in the June 2022 quarter, reflecting a massive improvement over its adjusted net loss of five cents per share in the June 2021 quarter. You could expect Northland's financial growth to accelerate further in the long run as this offshore wind-focused firm continues to make new acquisitions to expand its global presence to take an early-mover advantage in the clean energy segment.

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Date
2025/08/27
Date Created
2022/09/29
Author
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