



2 of the Safest Dividend Stocks on Earth Right Now

Description

These are turbulent times. The World Bank [warned](#) of a risk of a global recession in 2023. Almost all businesses are hit by a recession, as a slowdown in consumer demand affects businesses, and they cut jobs. At such times, you seek safe investment options in stocks, bonds, and others. Fixed-income securities are safe, but their interest rates fail to beat inflation, reducing your money's purchasing power.

Safest dividend stocks right now

The stock market has safe dividend options that can beat inflation while keeping your principal safer than other stocks. Stocks carry risk as they are but a business that runs on demand and supply. But if you look at the current situation, below two stocks are the safest compared to their competitors.

BCE stock

In business, a [large-cap](#) company that is a market leader, and has an edge over the next big competitor is considered safe. **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is leading the 5G race in Canada. While its next big competitor, **Rogers Communications**, suffered from [network outages](#) twice in 15 months. BCE's three-year capital-acceleration program to build [a 5G](#) (fifth generation) network has started to pay up. Its revenue grew higher than the pre-pandemic level. The 5G technology rollout has just begun, and it has the potential to be several times bigger than its predecessor 4G technology.

While 4G long-term evolution (LTE) made video streaming and calling a reality, 5G can make real-time artificial intelligence (AI) at the edge possible. Autonomous vehicles (AV) or drones for city management could become a reality as 5G connects millions of edge devices to a fast internet with low latency. This will open several options for BCE, like other internet services, expanding subscriber base, and a higher subscription amount.

The recession might slow BCE's cash flow growth, but it will continue to pay quarterly dividends as subscribers won't cut their internet in tough times. The company could probably slow the dividend

growth in the worst-case scenario. But I don't see any reason for a pause in dividend growth, even in a recession.

The only significant risk I see is a natural calamity destroying the wireless infrastructure in a populous area. But even that won't prevent BCE from paying dividends, as its infrastructure is spread across Canada. The opportunities outweigh the risk big time, making BCE a safe stock right now.

Enbridge stock

Like BCE, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is also a market leader operating North America's largest oil and gas pipeline infrastructure. It is a key beneficiary of the oil and gas Canada exports to the United States. Competitor **TC Energy** suffered a big blow after U.S. president Joe Biden cancelled its flagship Keystone XL Pipeline for environmental concerns. While Enbridge projects that it will face environmental opposition too, it has completed most of its projects without going significantly over budget.

Enbridge is focusing on liquefied natural gas (LNG) projects and wind energy plants to tap the opportunity for industry transition to green energy. The company has \$31.7 billion in debt that it can repay with its equity. It has the sufficient cash flow to pay dividends and service debt. The company has new projects coming online between 2023 and 2025. That could add a new income stream and boost its cash flow.

Even if a recession slows oil and gas demand in North America, Europe's energy crisis will keep oil and gas exports up. Enbridge is in a sweet spot to benefit from the growing demand for LNG exports to Europe.

Investing mantra

Now is the time to buy these stocks as they have dipped to their average stock price. Even if their stock prices fall from this level, they will bounce back in recovery.

But do not limit your portfolio to dividend stocks. The market dip has created a discount sale for value investors, with several long-term growth stocks available at a bargain. Check out the top growth stocks that are available at a discount.

CATEGORY

1. Dividend Stocks
2. Investing

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