2 Blue-Chip Dividend Stocks to Stabilize Your Portfolio

Description

As the economic uncertainties are rapidly increasing in 2022, it could be a good idea for you to stabilize your portfolio by adding some fundamentally strong dividend stocks to it. By doing so, you can minimize your portfolio's overall risk exposure and continue earning stable passive income with dividends, irrespective of economic cycles. Let's take a closer look at two of the best blue-chip dividend stocks in Canada that you can consider buying right now to hold forever.

A Canadian blue-chip dividend stock from the banking sector to buy now

When buying a dividend stock to rely on in uncertain economic times, you must pay attention to a company's financial growth track record in the past and its sustainability. Based on that, I consider **Royal Bank of Canada** (TSX:RY) to be one of the best blue-chip Canadian dividend stocks to buy amid ongoing market chaos. This Canadian banking sector giant currently has a market cap of about $168.5 billion after its stock has lost nearly 12% of its value this year so far to trade at $121.01 per share. At the current market price, it offers an attractive dividend yield of about 4.2%.

After COVID-19-related operational challenges drove its adjusted earnings down by 10% YoY (year over year) in its fiscal year 2020, the largest Canadian bank registered an outstanding recovery the next year. Notably, its adjusted earnings jumped by 40% YoY to $11.19 per share in its fiscal year 2021, showcasing resilience in its business model to face challenging times. Despite short-term inflationary pressures and other macroeconomic concerns, you can expect Royal Bank stock to continue yielding healthy returns on investments as its key focus remains on returning a large chunk of its profits to its shareholders through dividends.

And a blue-chip energy stock with dividends to own

If you're looking to invest in blue-chip dividend stocks in Canada that are safe to hold for the long term, you may want to consider adding **Enbridge** (TSX:ENB) to your portfolio. This amazing Canadian

Dividend Aristocrat currently has a market cap of $102.9 billion, as its stock trades with minor 1% year-to-date gains at $50.88 per share. At this market price, this large-cap stock offers a very attractive dividend yield of 6.8%.

A big part of this energy transportation and infrastructure giant's EBITDA (earnings before interest, taxes, depreciation, and amortization) is largely protected from high inflation due mainly to its cost-of-service recovery mechanisms. Moreover, its predictable cash flows and robust balance sheet help the company consistently increase its dividends irrespective of economic and market cycles. If you don't know it already, Enbridge has been increasing its dividends for the last 27 years in a row and has achieved its adjusted EBITDA guidance for the last 16 consecutive years.

Besides its consistently growing network of liquids pipelines and gas transmission and storage network, the company is also focusing on diversifying its cash flow sources by investing in segments like renewable energy and crude oil exports. Despite these positive factors, this Canadian dividend stock from the energy sector has seen 11.2% value erosion in the last 30 sessions, making it look undervalued to buy now for the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Dividend Stocks

2. Investing

Date
2025/08/18
Date Created
2022/10/11
Author
jparashar