3 Stable Stocks I'd Buy if the Market Tanks Further

Description

This market downturn has led many Canadians to seek out stable stocks they can count on. But this is far easier said than done. What are we supposed to look for when it comes to stability? For me, a huge factor is whether the stock is a Dividend Aristocrat.

These stable stocks not only offer strong growth, but stable *dividend* growth as well. Each has 25 years or more of consecutive dividend increases, allowing for a way to plan out your income, even if the market falls further.

And if it does, these are the top three I would consider today.

Canadian Utilities

Utilities have been a strong choice for investors seeking out stable stocks these days. They offer secured income from long-term contracts providing energy to residential and business consumers throughout North America, and sometimes the world.

Such is the case with **Canadian Utilities** (TSX:CU). Canadian Utilities isn't just a Dividend Aristocrat, but a Dividend *King*, with over 50 years of dividend increases. And those increases haven't exactly been small, with the company now offering a yield of 5.27% as of writing!

With stability behind and in front of it, even during the transition to renewable energy, Canadian Utilities stock is a great choice for investors looking to bring some predictability to their lives. And right now is a great time to buy, with shares down 1.3% year to date, and 13.4% in the last month!

CNR stock

Then, there's the sure thing of railways. There are only two Canadian railways, and one of them is **Canadian National Railway** (TSX:CNR)(NYSE:CNI), which also has a history of being a top Dividend Aristocrat. It's flooded with cash, after the company went through an overhaul back in the early 2000sto grow the business to where it is today.

And where it is today is looking for more growth. After missing out on the **Kansas City Southern** expansion, CNR stock proved to be a blessing in disguise. It now has cash on hand to cover any kind of losses, inflation, or other issues coming its way during this economic downturn. Meanwhile, it can continue to bring in cash from its extensive contracts transporting everything from grain to oil.

You can now pick up CNR stock with a 1.93% dividend yield, and shares trading at a reasonable 21.5 times earnings. Plus, it could be considered a defensive play in this market, with shares up 1% in the last month, and 2% year to date. That's by far beating the **TSX**, which is down 12.3% year to date.

CAPREIT

Finally, real estate stocks are prime choices for passive income. But you need to be careful. Not every real estate stock is created equal. Especially with the housing market as it is. However, one area where there could be substantial long-term growth is residential rentals, the market of **Canadian Apartment Properties REIT** (TSX:CAR.UN).

I would still consider this one of the stable stocks on the market right now. However, Canadians have long pursued the 'American' dream of owning property when they're older. Yet practically everywhere else in the world, this isn't an issue. You can rent and you're not seen as a failure. How about that?

The home ownership culture may change with the housing market as it is, and Canadians basically now forced into renting. But so what? Your home is your home. And a rise in home rentals also means there's an opportunity for massive growth with a company like CAPREIT.

And this one is a steal right now, trading at 11.5 times earnings and offering a dividend yield at 3.59%. Shares are down the most, though, with a 28.5% drop year to date. Still, with cash on hand and a solid future ahead, it's one of the stable stocks I'd consider should the market drop even more.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:CU (Canadian Utilities Limited)

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Date
2025/08/20
Date Created
2022/10/20
Author
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