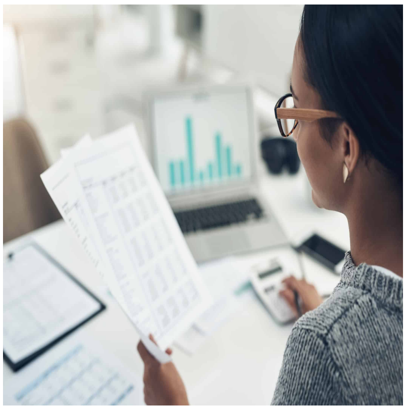

Passive Income + Value: 2 Dividend Studs to Buy Together

Description

It's tough to be a new investor with volatility continuing to play with our emotions. Indeed, it can be tempting to admit to defeat and hit the sell button just days or even weeks after an initial purchase. Market-moving news is sending even the best of stocks on a wild ride. Going into the final month of the year, there's hope that a Santa Claus rally will be coming, with strong rebound gains for investors who stood by their favourite names that are deep in the red.

Indeed, it's tough to tell if markets are ready to rally higher from here, with so many variables that could influence double-digit percentage moves in either direction. With inflation expected to flop in the new year, expectations may be in a spot to become more upbeat. Cooler consumer price index reports mean the Federal Reserve or Bank of Canada won't need to be so hawkish. If anything, a pause in rate hikes or talk of rate cuts could fuel a market rally that none of us will see coming.

Markets are looking to digest every piece of economic data as it comes along. Still, it's inflation that seems to still be calling the shots. If it backs down, a steep recession could be avoided, and the bear market selloff of 2022 may prove overdone.

In any case, I'd urge investors to keep calm and dollar-cost average (DCA) into their favourite companies over the next year. Timing market bottoms is a bad idea. It can lead investors to mount quick losses or cause overly cautious investors to miss out on rebound runs entirely.

In this piece, we'll look at two boring stocks that investors should nibble their way into as markets continue to be choppy. Arguably, they're better buys together in this market environment.

Telus

Telus (TSX:T) is a telecom company that investors can rely on through tough times. The dividend is on stable ground (current yield of 4.84%), with a growth profile that may be best of the Big Three. The telecoms may be viewed as defensives to protect wealth during tough times. Still, shares of T weren't spared once they were knocked off their peak of nearly $35 per share. The stock fell into a bear market before bouncing back modestly. At writing, Telus shares are off around 16% from their highs, mostly due to market-wide jitters.

Telus has beaten on EPS (earnings per share) for two straight quarters. Though revenue growth could grind to a halt, as fewer consumers look to upgrade to pricier plans, Telus is still going for growth. I think it can take share in the telecom space, as it continues to improve its wireless capabilities. As a telecom pure play, Telus stock deserves a richer multiple than peers. At 19.8 times trailing price-to-earnings (P/E), I think the stock is a wonderful bargain.

Agnico Eagle Mines

Agnico Eagle Mines (TSX:AEM) is a gold miner that's been in hibernation mode for most the year, now down just 2% year to date. A major reason Agnico and other gold miners have outperformed the TSX is because of the vicious losses mounted during 2021. Indeed, gold has fallen heavily out of favour in recent years amid climbing inflation and macro unknowns.

Recently, gold showed signs of life as too did shares of top gold miners. Agnico is one of my favourite ways to play the space. The recently merged Kirkland Lake makes Agnico a gold behemoth that could improve production economics over time. Add soaring gold prices into the equation, and AEM stock could be a top rebound play for 2023. In any case, AEM stock sports a 3.12% dividend yield. The payout alone makes the name a mouth-watering pick in a tough year.

CATEGORY

1. Dividend Stocks
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2. TSX:T (TELUS)

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