The Only 2 Dividend Stocks You Need Right Now

Description

In a recent conversation with a financial advisor, I asked whether it was a good time to get out of the sectors that proved fruitful this year. Those sectors in particular were infrastructure and utility companies, some of the best dividend stocks out there.

While the advisor did say that diversification is key, the utility and infrastructure sectors are still strong. Even after the climb and fall we've seen, these sectors are likely to come soaring back in the second half of 2023.

So today, I'm going to narrow my focus to the best of the batch. The two dividend stocks in the infrastructure and utility sectors that I would recommend holding now while they're down, and look forward to receiving amazing returns in the near future.

Canadian Utilities

Canadian Utilities (TSX:CU) is the perfect option if you're looking for secure dividends. It's the only Dividend King on the market as of writing. Further, it proved to be quite the defensive play over the last few months.

That is, before shares dropped off. As recession fears neared, many investors took out their returns after Canadian Utilities stock hit all-time highs. But this was due to market fear, not the stock's performance. It's now one of the dividend stocks you'd do well to pick up for stable income and solid returns, at a great price.

Shares have recovered slightly since the drop, up about 5.7% year to date as of writing. That's still down from 52-week highs. Today, you can pick it up near value territory trading at 16.7 times earnings, with a yield at 4.74%.

If you want a bigger picture, shares of Canadian Utilities stock are up 57.8% in the last decade for a compound annual growth rate (CAGR) of 4.6%. The dividend in that time has also grown by a CAGRof 8.13%!

Brookfield Infrastructure

Now with **Brookfield Infrastructure Partners LP** (TSX:BIP.UN), it's true you get access to utilities. This is part of that infrastructure package. However, you also get access to other essential services. That includes energy, railways, and even telecommunications. All this provides you with a diverse range of income. And Brookfield is located all around the world!

So again, you have a secure way to bring in income, yet shares went a bit wild this year with all this market uncertainty. Unlike Canadian Utilities, it's one of the dividend stocks that has yet to bounce back. Shares are now down 13% year to date.

Yet again, it's a great time for those seeking long-term hold options. The recent drop was in response to earnings that came in below estimates, but Brookfield still reported strong results that should only improve once out of a recession.

Today, you can pick up BIP.UN trading at 2.4 times book value, with a dividend yield of 4.41% as well. And for that bigger picture, it's one of the dividend stocks up a whopping 397% in the last decade. That's a CAGR of 17.4%! Meanwhile, its dividend has also grown at a CAGR of 8.77%.

Bottom line

Utilities and infrastructure are simply areas of the market that will not go anywhere. While shares might be down, don't count them out. These two dividend stocks in particular have a secure means to keep creating revenue far into the future. So lock in those rates while you can.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:CU (Canadian Utilities Limited)

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. alegatewolfe
2. cleona

Category

1. Dividend Stocks
2. Investing

Date
2025/06/29
Date Created
2022/12/20
Author
alegatewolfe