



Beat the TSX With This Unstoppable Dividend Payer

Description

It's not a great start to the new year for financial markets, with the Fed, once again, spoiling any chance of a near-term rally. As we brace for another dip toward bear market lows, investors should be in no rush to put money to work. Across the board, valuations are pretty enticing. Though there aren't as many bargains as there were in the early stages of 2020 after the market crashed over fears that COVID-19 would cause one of the worst recessions since 2008, I see plenty of value out there. Further, there are certainly better value plays today than at any time over the last year and a half.

With that, investors should look to 2023 as a year to make money [prudently](#). The bear market could end at any moment. However, with such a hawkish Fed that's not willing to back down as tech firms conduct more layoffs, I'd not attempt to time the end of the bear. Nobody knows if this bear can drag out another year. If it does, you may as well get paid a dividend for your time and emotional stress!

In this piece, we'll have a look at two wonderful TSX dividend stocks that will keep on moving forward as the weight of a recession falls on the shoulders of everyone.

Without further ado, consider **Royal Bank of Canada** ([TSX:RY](#)), Canada's biggest bank and one the most resilient dividend-growth heroes out there.

Royal Bank of Canada: A premium dividend stock at a not-so-royal valuation

Royal Bank of Canada is one of the big banks that's deserving of a hefty premium over the peer group. It's not only a reliable dividend grower, but it's found a way to bounce back from even the worst of economic downturns. Undoubtedly, the big banks have faced more than their fair share of crises. As a result, they've been stress tested. This coming recession is likely to be mild, according to most pundits. If a mild downturn is ahead, Royal Bank may already be [too cheap](#), given its history of quick recoveries.

The stock trades at 11.5 times trailing price to earnings at writing. That's already a premium relative to its peers in the Big Six. Historically, though, RY stock is at a slight discount. Though you could get

more bang for your buck with another bank, I'd argue that Royal is more insulated from certain risks.

Most notably, Royal doesn't have the highest exposure to the domestic housing market, which is bound to feel more pressure through 2023. Further, Royal's capital markets business tends to be a source of strength through environments where loan losses tend to creep higher.

Down around 13% from its high, I view Royal Bank as a stellar blue chip for investors who want a steady dividend grower with one of the best risk profiles in the financial scene.

A dividend grower to buy right now

The 4.15% dividend isn't all too swollen. However, it's poised for greater growth. I don't think the next recession will change this.

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