# As Stock Markets Slide, Stick With Fortis Inc., Metro Inc., and Toronto-Dominion Bank

## Description



It seems that Canadian stocks are in full-blown correction mode. The **S&P/TSX Composite** slid 3.8% last week, and many investors have fared even worse. Energy stocks have slid 15% since late August, and mining stocks have fared very poorly too. Oil prices are way down, as is the Canadian dollar.

And things could easily get a lot worse. So what's the best way to protect yourself? One is to own bonds, but yields are extremely low – for example the 10-year Government of Canada bond yields less than 2%.

Another way is to own defensive stocks. Unfortunately those are difficult to find in Canada – but there are opportunities. Below we highlight three stocks you can use to shield yourself.

**1. Fortis**

**Fortis Inc.** (TSX: FTS) is Canada's largest investor-owned distribution utility, and also one of the country's safest investments. The main reason is simple: we all need to keep the lights on, even if the economy is faring poorly. As a result, many people own the company simply for its rock-solid dividend, which currently yields a healthy 3.7%.

Better yet, this dividend has been hiked every year for over four decades. This underscores how stable the company is. It also means that by buying the shares, you don't even need to worry about the stock price. All you need to do is sit back and collect the dividend while everyone else worries about stock market corrections.

**2. Metro**

**Metro Inc.** (TSX: MRU) is Canada's third largest grocery store, making it perfect to own during a correction. After all, we all need to eat.

Metro also has a more consistent history than its rivals, who have had to deal with expensive IT upgrades and failed super-store experiments. And this show up in the numbers – over the past 20 years, the company has earned a return on equity of at least 14% every year. So even during the Great Recession, Metro just sailed right through.

These days the newspapers like to talk about the “Grocery Wars”, in which Canada’s grocers supposedly compete so ferociously that profitability is hard to come by. But this is still a very stable industry, with limited competition, immense bargaining power over suppliers, and consistent profits. In any correction, you should feel safe owning this company.

**3. TD Bank**

It’s true that banks are more volatile than most other companies. But when talking about defensive stocks, it’s still worth highlighting **Toronto-Dominion Bank** (TSX: TD)(NYSE: TD). The bank is likely Canada’s safest for a couple of reasons.

One is the focus on retail banking, which last fiscal year accounted for over 90% of profits. Capital Markets, a more volatile (and less-transparent) business accounted for only 9%.

The other reason is TD’s strong emphasis on risk management. This is what helped the bank sail through the financial crisis, right when so many of its peers were failing altogether. Fast forward to today, and TD’s prudence remains a defining part of its culture. So even if the market is going through a correction, you should feel safe holding TD shares.



**CATEGORY**

1. Investing

**TICKERS GLOBAL**

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:FTS (Fortis Inc.)
3. TSX:MRU (Metro Inc.)
4. TSX:TD (The Toronto-Dominion Bank)

**Category**

1. Investing

**Date**
2025/07/08
**Date Created**
2014/10/15
**Author**
bensinclair