Avoid Market Turbulence With Metro Inc., Telus Corporation, and SNC-Lavalin Group Inc.

Description

The past three years have been like a wild roller-coaster ride for the TSX. Oil prices were depressed, then skyrocketed, and are now depressed again. Natural gas collapsed and has now rebounded. Mining companies were riding high and are now being hammered. Banks have been making record profits, but worries about a housing bubble remain.

This has no doubt caused Canadian investors some serious headaches. Luckily, there are some companies that aren't prone to the same ups and downs. Below are three worth considering.

1. Metro Inc.

According to the newspapers, Canada's grocers have been in a price war, spurred on by large American entrants. But in reality, the grocers are in much better shape, for a couple of reasons.

First, the industry is still relatively concentrated. This means that a few big players still have plenty of pricing power over consumers. More important, it means that suppliers are at a disadvantage. **Loblaw** 's acquisition of Shoppers Drug Mart only reinforced this dynamic, and it's one that is not going away anytime soon.

Secondly, the established Canadian retailers tend to have the best real estate, making it harder for the American companies to compete, no matter how much they lower prices.

And among the grocers, **Metro Inc.** (TSX: MRU) has consistently been the best managed, and this shows up in the company's numbers. The company has earned a return on equity of at least 14% every year for the past two decades.

2. Telus Corporation

Again, the newspapers have not been kind to Canada's big-three telecommunications providers. Supposedly, these companies will see profit margins squeezed dry once the Canadian government is done introducing new regulations.

But this obscures an important reality – the big three are some of Canada's most stable companies. This makes sense; after all, they face relatively little competition and are protected by high barriers to entry. Subscription-based revenue helps keep earnings smooth, even when times are tough.

And once again, one player stands out from the rest: **Telus Corporation** (TSX: T)(NYSE: TU). Telus leads the industry in wireless subscriber additions, subscriber retention, customer satisfaction, customer lifetime value, revenue growth, and dividend growth. It is quite simply the top performer, and if you buy the stock now, you can earn a 3.7% yield. All without having to worry about market fluctuations.

3. SNC-Lavalin

SNC-Lavalin Group Inc. (TSX: SNC) may not seem like a safe investment at first. After all, the company was caught in a massive corruption scandal two years ago, causing the stock price to plummet.

But those problems are well behind the construction and engineering firm. What's emerged since is a very well-diversified company, both by geography and industry segment. Better yet, SNC is Canada's leader in the industry, with over 100 years of experience. It owns assets that generate consistent cash flow, such as a piece of the 407 highway. And it finally has trustworthy management.

There are other stocks that you can count on through good times and bad. Five of them are featured in the free report below.

CATEGORY

1. Investing

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1. NYSE:TU (TELUS)
2. TSX:ATRL (SNC-Lavalin Group)
3. TSX:MRU (Metro Inc.)
4. TSX:T (TELUS)

Category

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