



## 2 Safe Stocks to Consider in a Falling Market

### Description

As the stock market pullback starts to pick up speed, investors have to be careful about putting new money to work.

Most financial advisors say trying to time the market is too risky and choosing reliable companies and averaging in over time serves most investors best. For the most part, they are right.

But if you are looking to put new money to work right now it might be best to choose companies that tend to hold up well during periods of market volatility.

Here are the reasons why I think investors should consider **Metro Inc.** ([TSX:MRU](#)) and **Progressive Waste Solutions Ltd.** (TSX:BIN)(NYSE:BIN).

#### Metro

Anyone who lives in Quebec or Ontario has probably spent some money at Metro's grocery and drug stores.

At first glance, the sector looks pretty crowded and you might wonder how any of the food retailers make money. The truth is, they are all doing reasonably well, and Metro stands out as one of the best.

When times get tough people still have to eat and take their medicine.

Metro has both premium and discount grocery stores so it benefits when people are feeling good about their finances, as well as when they are trying to tighten their belts.

Things also look good on the drug store side as Canadian boomers are starting to find out they need to pop a few extra pills each month to keep the old ticker and other parts in good working order.

Metro recently reported strong year-over-year sales growth of 6% and net earnings jumped 15%. The yield on the dividend is just 1.35% but Metro has increased the size of the payout by 40% in the past two years and the solid distribution growth should continue.

## **Progressive Waste Solutions**

If you look at the name on the garbage bin outside of your favourite coffee shop, restaurant, or corner store you will probably see that Progressive Waste provides it.

At your home, one of the company's garbage or recycling vehicles might pass by every week to take away all your household waste.

The company operates waste management services in Canada, the U.S. south, and the U.S. northeast under a variety of brands including Progressive, IESI, WSI, and BFI.

The collection, disposal, and recycling of waste is pretty much a recession-proof business and while it is also very competitive, Progressive is making important investments to gain an edge over its peers.

One project of specific interest is the company's recently opened renewable natural gas facility located in Quebec. The station converts landfill gas to natural gas which is then delivered to **TransCanada's** pipeline network.

The state-of-the art site is the largest of its kind in Canada and one of the largest in all of North America.

Progressive is also in the process of converting the majority of its trucks to run on natural gas.

Ah yes, now you can see where this story is going. At some point, the company will be able to supply the majority of its fuel needs from the gases produced at its landfill sites.

With fuel being such a huge component of waste collection costs, Progressive is moving in the right direction to give itself a strong competitive cost advantage.

Progressive trades at a reasonable 15 times forward earnings and is one of those stocks you can just buy and forget about for years.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

1. TSX:MRU (Metro Inc.)

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