3 Stocks to Bulletproof Your Portfolio: BCE Inc., Fortis Inc., and Metro Inc.

Description

Let’s face it: there’s no shortage of risks facing Canadian investors these days. Low oil prices are wreaking havoc out west. Real estate prices remain elevated, and consumer debt is at record levels. Lower interest rates are trimming the profitability of Canada’s banks. So, what is a Canadian investor to do, especially if he or she doesn’t want to take any major risks?

Well, if you look hard enough, Canada’s stock market does have bulletproof names. We take a look at three below.

1. BCE

If you’re looking for safe stocks, your search should start with the Big Three telecommunications providers. These companies aren’t worried about oil prices or household debt levels because Canadians simply aren’t going to give up their cellphone, even if the economy struggles.

Better yet, these companies face very limited competition, and are protected by high barriers to entry. Subscription-based revenue helps to smooth out earnings. This is ideal for paying out a big, consistent dividend.

BCE Inc. (TSX:BCE)(NYSE:BCE) is the largest of the Big Three, and also has the biggest dividend, currently yielding 4.9%. This is a high number for such a stable company. And as Canadians thirst for mobile data increases, there’s scope for even more dividend hikes.

2. Fortis

Distribution utility **Fortis Inc.** (TSX:FTS) has raised its dividend every year for over four decades. No other public company in Canada has such a long streak. So, how has Fortis kept up its impressive run?

Well, Fortis competes primarily in regulated electricity markets, which results in very stable revenue. And the company sells a very necessary product—it’s not as if Canadians will turn out the lights if they rack up too much debt.

Fortis's dividend yields a solid 3.8%, and I would expect its dividend-raising streak to continue. Its base rate is slated to grow by 6.5% per year for the next half decade, and could be higher if a couple of LNG projects come to fruition. Once again, shareholders can feel very secure.

3. Metro

Metro Inc. (TSX:MRU) may not have the dividend yield of Fortis and BCE, but it's still a rock-solid company. Historically, it has been the best run of Canada's grocers, and has the numbers to prove it; most notably, the company has reported a return on equity of 14% each of the past 20 years. Metro has also raised its dividend in each of the past of the past 13 years. It's no wonder the company's share price is up 284% in the last 10 years.

Crucially, Metro will be relatively unaffected by Canada's economic worries, which should be music to any investor's ears. This should be fairly obvious; no Canadian will stop eating in an attempt to save money. You can feel safe holding the company in your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:FTS (Fortis Inc.)
4. TSX:MRU (Metro Inc.)

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