



Prepare for the Next Stock Market Crash With These Defensive Stocks

Description

Investors are quite uneasy about this incredible bull run, as the markets continue to break through to new all-time highs. Usually, the general public becomes overly greedy, but after two crashes in 2000s, many investors have grown cautious about becoming too greedy while stocks are surging.

Many pundits are calling for a mild correction in 2018 after the incredible 2017 run. While many of these so-called experts make calls on the next crash on a consistent basis, one day they'll be right. When that will be, nobody knows. It's never a good idea to time the market, but it's always a prudent decision to have defensive holdings in your portfolio with cash on the sidelines, just in case.

Disciplined long-term investors should embrace market crashes, because they give them an opportunity to buy shares at incredible discounts. It's like Black Friday! But if you don't have any cash on the sidelines, or if you lack defensive holdings, you'll miss out on the sales and you may give up on investing entirely.

Unfortunately, this is what happened to many investors during the tech bubble burst and the Financial Crisis. History will likely repeat itself, another crash is going to happen, and there's really nothing you can do about it, but prepare a portfolio bomb shelter with these solid recession-proof stocks.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#))

Yes, I know. Utilities are anything but exciting, but Fortis is different from many of its peers. In addition to being a way to batten down the hatches, Fortis has an [above-average growth profile](#) with the capability to hike its dividend through the worst of times.

The company has grown by acquisitions to become one of the most dominant utilities in North America. Investors can enjoy a respectable dividend hike of ~6% for a given year through 2021 thanks to its pipeline of growth initiatives.

If you're at all concerned about the state of the market, buy Fortis shares and collect the dividend, which currently yields 3.55%.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#))

Garbage stinks, but the stock of Waste Connections definitely does not, with shares more than tripling over the last five years. Waste collection is a gross, but necessary service, regardless of what state the economy's in. If we're [in a recession](#), trash simply can't be allowed to pile up on the streets, and that's why Waste Connections is one of the best stocks to own if you're looking to play some defence.

On the flip side, when the economy heats up, consumers spending will rise, so that means more orders from digital retailers and more packaging supplies that need to be recycled or trashed.

Recession or not, Waste Connections is a fantastic business, but it's expensive right now, so you're going to be paying a hefty premium multiple for the company's solid growth and stability.

Stay hungry. Stay Foolish.

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