



Worried About the Markets? Buy These 3 Low-Beta Stocks for Safety

Description

Investors are undoubtedly looking for some safety after the recent downturn we've seen in the market. One way to do this is by investing in low-beta stocks. Beta is a measure of how much a stock mimics the moves of the market. The closer to zero, the less volatile the stock is in relation to the market, whereas a value of one indicates that the stock will follow the market's swings in unison.

Stocks with low betas offer investors some security, since their share prices will see less dramatic swings and won't be as heavily impacted by market conditions the way other stocks will. Below is a list of three low-beta stocks that will help you minimize your risk to the market.

Dollarama Inc. ([TSX:DOL](#)) has been a top-performing stock on the TSX the past year with returns of more than 65%. Last week, when the markets saw a big correction take place, Dollarama's stock dropped just 2%. While minimum wage hikes will add some cost to the company's financials, Dollarama's low-cost model enables it to more easily absorb rising expenses.

When I looked at a few different retail stocks, I found that Dollarama [would be less impacted than other retailers](#), even though investors might expect the discount retailer to offer the lowest wages.

With interest rates rising, and costs growing for consumers, a low-cost option like Dollarama could fall into favour for people looking to stretch their budgets. In 2017, Dollarama's sales came in at just under \$3 billion, and its top line has grown more than 40% in the past three years. The company has also managed to produce a very strong bottom line, with a profit margin that has averaged more than 15% over the past four quarters.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#)) is a [great recession-proof stock](#) which doesn't have to care what the economy is doing. After all, people will continue to make waste, and there will always be a need for someone to dispose of it, and that's where Waste Connections can provide investors with a great deal of stability. Like Dollarama, the stock saw just a modest drop last week, despite a disastrous five days for the TSX.

Waste Connections has been able to grow via acquisition in a very fragmented market, which leaves a lot of potential for the company to grow even further. In 2016, revenues of over \$3.3 billion were up

more than 75% from a year ago largely as a result of the company's acquisition of Progressive Waste, which is a major company in the industry.

Thomson Reuters Corp. ([TSX:TRI](#))(NYSE:TRI) saw a slight 3% drop in price last week, and it has been able to avoid some of the big losses we've seen on the TSX. Although the company saw no sales growth last year, with "fake news" being more mainstream, it ensures that a trusted name like Thomson Reuters still has a very safe place in the industry. In the past five years, the stock has risen more than 70%, and it also provides investors with a decent yield of more than 3%.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:TRI (Thomson Reuters)
2. NYSE:WCN (Waste Connections)
3. TSX:DOL (Dollarama Inc.)
4. TSX:TRI (Thomson Reuters)
5. TSX:WCN (Waste Connections)

PARTNER-FEEDS

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