Fearing a Market Meltdown? Here Are 5 Safe Places to Hide Your Money

Description

The TSX Composite is down more than 8% since the start of the year, including yesterday's trading session, which finished deep in the red.

Most of the fears in the market have come from the anticipation of rising interest rates, as central banks tighten monetary policy following a period of historically low rates and easy money.

Now that the central bankers have decided that it's time to take away the "punch bowl," it might be a sign the lights are coming on and the party's over, meaning it could be a good time to start looking for a more conservative allocation for your investment portfolio.

Here are five companies that should fare better amid an economic downturn:

Alimentation Couche-Tard Inc. (TSX:ATD.B)

Based in Laval, Quebec, Alimentation Couche-Tard is the one of the largest convenience store operators in the world with 15,000 locations spread across Canada, the United States, Europe, Mexico, Japan, and China.

Convenience stores are about as recession proof as it gets, with most purchases being "necessities" that people pick up on the run without many other options to choose from.

Despite a slowdown over the past few years, the company has returned to form as of late, posting solid growth. Sales were up 44% in the most recent quarter with earnings per share up 33%.

Goldcorp Inc. (TSX:G)(NYSE:GG)

For centuries, gold has been viewed as valuable commodity to hold in times of fear and crisis.

Goldcorp is the world's largest gold miner, giving the company additional strength to withstand a downturn in market prices.

But gold has seen an uptick as of late — perhaps owing to some of the factors discussed above — and

Goldcorp shares have responded accordingly, up 14% since the middle of December, so it might make sense to pick up this one on the next pullback.

Molson Coors Canada Inc. Class B (TSX:TPX.B)(NYSE:TAP)

If Canada ended up going into a recession for a few months, Molson Coors would still do okay. After all, people tend to drink more when times are bad — just ask the restaurant owner in Alberta who dropped the prices on his wine list when oil fell below US$40 per barrel.

Molson made a big splash when it required the outstanding interest in its Miller Coors joint venture, which has made the company a much more resilient and diversified operation than it was just five years ago.

BCE Inc. (TSX:BCE)(NYSE:BCE)

BCE operates Canada’s largest telecommunications network and is one of the country’s largest publicly traded companies, following the merger of Bell Canada and Northern Telecom back in 1983.

BCE’s business model is based around “sticky” recurring revenue streams, so even if Canada’s unemployment rate were to trend higher if the economy turned south, there’s a good chance it wouldn’t have a huge impact on BCE’s revenues.

Additionally, BCE shares offer an attractive yield 4.82%, making it a good idea for retirees and income-focused investors.

Saputo Inc. (TSX:SAP)

Saputo is the second consumer staples to make this list after Molson Coors.

The company is one the world’s leading producers of cheese and dairy products with exposure to the Canadian, U.S., and Australian markets.

Saputo shares have experienced a minor pullback over the past few months, making now an opportune time to pick up the Montreal-based dairy processor.

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3. TSX:BCE (BCE Inc.)

4. TSX:SAP (Saputo Inc.)
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