
# With a Recession on the Horizon, Investors Can Take Refuge in These Dependable Stocks

## Description

In spite of many investors seeking stocks that offer high returns on equity, there are numerous lucrative opportunities to purchase securities that will provide more consistent returns and dividends, while not "betting the ranch" when times go bad. These stocks are often referred to as defensive stocks, which, by definition, are not heavily impacted by a slowdown or pickup in the overall economy.



The first name for investors to consider, as they wish to take cover from falling knives, is none other than **Lassonde Industries Inc.** (TSX:LAS.A), which manufactures and distributes fruit and vegetable juice. As the company continues to dominate a very boring, low-margin business, the risk and return profile of this company remains low. In challenging markets, investors can sometimes be rewarded for taking a substantial amount of risk off the table.

Once the juice reaches the supermarket, it can be sold in stores operated by **Northwest Company Inc.** (TSX:NWC), which operates a chain of grocery stores (or general stores) in remote areas of Canada and Alaska. It's in the business of delivering groceries to small, well-established communities. Investors need not be concerned about a high level of growth with this name; the dividend of almost 4.7% will encompass the majority of the return.

Also on the shelf at the grocery store are the products made by **Intertape Polymer Group Inc.** (TSX:ITP). As a manufacturer of tape, the company has undertaken the project of re-aligning its manufacturing facilities to lower overall costs. In spite of a few headwinds over the past year or so, the reality is that investors may end up in a growth business once a recession hits. Think about how much tape we need to close all those boxes when we move. Should an economic downturn hit the Canadian economy, there is no doubt that a lot of people will need to move around for new employment.

The last name on the list is none other than **Canadian National Railway** (TSX:CNR)(NYSE:CNI). With a unique footprint that spans the country, the railroad is in prime position to deliver incredible value to shareholders during difficult times. For companies that wish to distribute and sell their products, there is, in many cases, no affordable "Plan B."

For investors who have been considering this particular name as of late, the momentum has only started to shift, as shares have rallied from less than $92 to a current price of almost $107. What had previously fallen out of favour saw a change in sentiment (from investors), as the second-largest rail company faced the possibility of a strike. With only one company able to move goods via rail, investors seemed to have renewed optimism for this name.

Going into the second half of 2018, investors will want to continue seeking money-making opportunities , but they must remember to drive with an airbag. They do save lives!

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:CNR (Canadian National Railway Company)
3. TSX:ITP (Intertape Polymer Group)
4. TSX:LAS.A (Lassonde Industries Inc.)
5. TSX:NWC (The North West Company Inc.)



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