



3 Stocks to Help Diversify and Insulate Your Portfolio

Description

As the markets get a bit expensive, the concern about a correction being around the corner starts to grow, and rightfully so. The economy has been doing well for a while now, and rising interest rates suggest the government agrees with that notion. But as debt loads and housing prices increase, higher interest rates could put the economy at risk.

Admittedly, this year has gone [better than I expected](#), but it's only a matter of time before we see the emergence of a bear market. Uncertainty with NAFTA and the U.S. as a whole will increase the risk that a slowdown will happen sooner rather than later. However, there are ways to protect yourself, such as investing in the following three stocks, which could help minimize your risk to these developments.

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is probably one of my favourite stocks on the TSX simply because I know it isn't going anywhere anytime soon. The essential services the company provides will ensure that it is going to be able to perform well in good and bad economic times, as it will always be in demand as long as people produce waste. And with the population continuing to grow, there's no imminent fear of that trend starting to slow down.

Year to date, the stock has risen by 15%, and since it started trading in 2016 it is up by 75%. The company has been able to grow through acquisitions, and there's still ample opportunity for Waste Connections to continue to do so in the years to come.

With strong growth and good profitability, this is a good stock to have in your portfolio.

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is one of the best blue-chip stocks that you can find on the TSX. The utility provider has a strong base of recurring customers, enabling it to maintain a strong level of consistency while also being able to build on that foundation. With operations across North America, there are also many good opportunities for this stock to grow as well.

Like Waste Connections, Fortis offers an essential service that makes it a low-risk option for investors in case there is a downturn. Over the past five years, Fortis stock has grown more than 30%. And on top of that, it also pays a very good dividend of more than 4% per year.

Dream Global REIT (TSX:DRG.UN) may not be immune from a worldwide recession, but it can provide [valuable diversification](#) for investors that don't want to be overexposed to North American markets. With real estate properties in Europe, Dream Global gives you a way to bring down your risk in a way that you wouldn't be able to do with a typical REIT.

While it has not achieved a significant amount of growth over the years, there's a lot of opportunity for the company to continue accumulating properties in a big European market.

This stock will also pay you a very strong dividend as it yields more than 5.2% per year.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:FTS (Fortis Inc.)
4. TSX:WCN (Waste Connections)

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Date

2025/09/10

Date Created

2018/09/30

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