



Investors: Protect Your Portfolio With These 3 “Save-Haven” Stocks

Description

It hasn't been a nice week to be an investor.

Although markets posted solid gains during early morning Friday trading, that rally has done little to offset investor fears after two massive down days on Wednesday and Thursday. Will this be the beginning of a prolonged market sell-off? After a practically uninterrupted nine-year bull market in the United States, many investors are feeling nervous.

There's a better way than throwing all your money into an index fund and hoping for the best. Investors can invest in low-beta stocks, which are companies with long histories of being less volatile than the overall stock market. Such investments may still lose money when the market tanks, but if history is any indication, they should do significantly better than their higher-beta peers.

Here are three great stocks that will keep your money safe during the next correction.

Metro

One nice thing about owning grocery store stocks is they tend to do pretty well during a recession. Folks will cut their restaurant spending in favour of eating more at home.

Metro ([TSX:MRU](#)) is only Canada's third-largest grocer, but don't let that stop you. Recent results were solid, with the company posting an 11.6% sales gain. Much of that was from its recent Jeau Coutu acquisition, but sales were still up 2.4% excluding Jean Coutu. That helped the bottom line, with adjusted net earnings up more than 11%.

Although the company issued some stock to help finance the Jean Coutu acquisition, it has a recent history of buying back shares. The total share count decreased from 322 million at the end of its fiscal 2010 to 230 million as of September 2017. Add in the stock's current 1.8% dividend, and it combines to make a pretty decent shareholders' yield.

Metro has a beta of just 0.14, making it a safe bet during tumultuous times.

Telus

While **BCE** shares continue to take it on the chin — they hit a fresh 52-week low this week — **Telus** ([TSX:T](#))([NYSE:TU](#)) shares are doing much better.

Telus has a number of things going for it. It's far more dependent on wireless revenue versus television, which is a good mix to have in 2018. Canadians are ditching cable in droves, preferring instead to stare at their smartphones. Telus also has no media division, while both of its major Canadian competitors own cable channels and radio stations. The company also continues to add customers while leading the industry in retention rates. Recent quarterly results were solid too, with revenue chugging higher by more than 5%.

Like Metro, Telus is giving back to its shareholders. It spent \$1.1 billion in 2017 on share buybacks and its dividend. Shares currently yield an impressive 4.6%. It has a beta of 0.549.

Stella-Jones

There are boring businesses, and then there's **Stella-Jones** ([TSX:SJ](#)), which is a leading producer of treated wood products for railroads and utility companies. The company makes railroad ties and utility poles. Needless to say, this is not a sexy business.

It's a pretty good business, though. Demand has been solid lately and should stay relatively robust even if we enter a recession. Over the last five years, Stella-Jones has increased its revenue from \$1.2 billion to close to \$2 billion and saw earnings per share go from \$1.50 to \$2.37. There's still plenty of potential for the company to get into other lumber-related products, so investors should still see decent growth going forward.

The company's shares have a beta of just 0.484, making them about half as volatile as the market in general. And shares pay a 1.1% dividend, which has grown by an average of 19% annually over the last five years.

The bottom line

You don't have to fear bear markets. They offer a great opportunity to load up on stocks trading at bargain prices. These three names can help protect your capital, leaving a better opportunity to snatch up beaten-down stocks.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:BCE (BCE Inc.)
3. TSX:MRU (Metro Inc.)
4. TSX:SJ (Stella-Jones Inc.)
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