

## Protect Your Wealth With These Top Defensive Stocks

### Description

Last week's [market sell-off](#) saw the TSX declined 3.4% in two days in a sharp, albeit short-lived sell-off.

This has really brought the risks of the **S&P/TSX Composite Index** (TSX:^OSPTX) to the forefront.

I mean, this is a market that, while it has underperformed the U.S. market, has a five-year return of 18.6%.

Pretty good.

But if you're among investors that are worried about the future and that think the TSX index is due for a correction of sorts, especially considering that [interest rates](#) are going higher, you are not alone.

Here are two defensive stocks that can help you protect your wealth.

#### **Metro Inc.** ([TSX:MRU](#))

With a \$10.3 billion market capitalization and a 1.82% dividend yield, Metro has been a story of consistency, stability, and shareholder wealth creation.

And with the stock hovering in the \$40 to \$45 level in the last two years and now slipping below \$40 despite continued strong results and dividend increases, we are presented with a good entry point.

To illustrate my case, 2018 earnings are expected to be 6.3% higher than 2016 earnings, and the annual dividend was increased by 16% in 2017 to \$0.65 per share and by 10.8% earlier this year to the current \$0.72 per share.

Further, the company's steps to diversify in order to ensure continued growth well into the future came with its acquisition of Jean Coutu, the Quebec-based pharmacy, a strong free-cash flow business with a strong retail brand, which closed on May 11, 2018.

Diversifying into the pharmacy retail business is a very positive step for Metro, as it will deliver cost synergies, cross-selling synergies, and increased efficiencies.

Specifically, management forecasts that they will achieve \$75 million in synergies by 2021.

All this will likely increase the stock's valuation, especially if investors move back into the more defensive sectors.

#### **TransCanada Corp.** ([TSX:TRP](#))([NYSE:TRP](#))

For more than 65 years, TransCanada has been developing and maintaining energy infrastructure, while handsomely rewarding shareholders.

You don't get much more defensive than this.

Since 2000, TransCanada stock has provided shareholders with a 13% average annual return, while delivering yearly dividend increases, which brought the dividend per share from \$0.80 to \$2.76.

Strong growth indeed.

The recent approval of LNG Canada's proposal to build the LNG plant is another driver for the stock going forward in that it has resulted in the company moving forward on its Coastal GasLink natural gas pipeline, and it will have a positive effect on investor sentiment toward TransCanada stock as well.

TransCanada currently has an attractive dividend yield of 5.32%, with above average, visible growth and an infrastructure presence that should ensure strong growth well into the future.

Investors can expect continued dividend growth of 8% to 10% through to 2021.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:MRU (Metro Inc.)
3. TSX:TRP (TC Energy Corporation)

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## Author

karenjennifer

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