



Act Now: Protect Your Portfolio With These 2 Defensive Stocks

Description

One method of determining whether there is positive sentiment toward a company is if [insiders are buying](#). Insider selling and buying are good ways to gauge management's views on the company. If there is buying, then management is typically bullish.

Two companies that have seen significant insider buying recently are **Saputo** ([TSX:SAP](#)) and **Brookfield Property Partners** ([TSX:BPY.UN](#)) (NASDAQ:BPY).

Mitigate risk

Saputo is an interesting case. When it was trading near 52-week highs in early June, the company saw significant insider selling. I am not referring to options selling. Management was actively selling on the open market. Now trading down 15% from these highs, insiders have begun buying the company.

Insiders is a little misleading. It has only been one insider that has been scooping up shares, but it's a big one: Chief Operating Officer and President Paul Corney. When the organization's top dog is buying shares on the open market, investors should take note.

On November 8, Corney made 10 separate acquisitions in the public market. In total, Corney purchased 5,000 shares at an average price of \$38.60. Total market value of the purchases was north of \$190,000.

This is a significant vote of confidence by the president and COO of the company. Down 12% year-to-date, Saputo is now much more attractive from a valuation standpoint. Appearing to have bottomed out, this consumer defensive stock is also a great way to mitigate risk. The market has been extremely volatile as of late. With a beta of 0.36, investors can rest a little easier with Saputo knowing there should be fewer price swings of significant magnitude.

Safety in real estate

Brookfield Property Partners [is another defensive stock](#) that has seen a significant uptick in insider activity. Since September, there have been nothing but buying on the open market. In Brookfield's

case, there is an interesting mix of insiders.

Chief Financial Officer (CFO) Bryan Kenneth Davis has made two separate buys of 10,000 shares. The market value of his purchases exceeded \$510,000. Once again, when the CFO starts buying, investors should take note.

Another insider, Stephen Denardo, a member of the Board of Directors, made four separate purchases. In total, he added 6,097 shares to his position with a market value of approximately \$110,000.

Finally, majority shareholder **Brookfield Asset Management** has also been aggressively buying the stock. The company has bought a whopping 10.299 million shares!! This equal to approximately 2.5% of all shares outstanding. Outside of a one-time prospectus offering, this is the first time that Brookfield Asset Management has been buying up shares on the open market this year.

Foolish takeaway

There is positive insider sentiment at Saputo and Brookfield Property Partners. Both companies have low betas and as a result, are considerably less risky than the overall market. If you're worried about the current market volatility, both are interesting buys at these levels.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)
2. TSX:SAP (Saputo Inc.)

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Author

mlitalien

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