



2 Stocks to Add If Markets Plunge in 2019

Description

So far, 2019 has been a great year for the **S&P/TSX Composite Index** (TSX:^OSPTX). Up 11% year-to-date, the market has almost reversed its 2018 losses and has reflected a return of investor optimism.

Yet, the market remains vulnerable to shocks, as the consumer is racked with debt and the [housing market](#) has continued its downward trend.

So another consumer driven rally isn't in the cards. Remember, this is what has driven the economy in the last many years, as low interest rates has spurred strong consumer spending.

So if these fundamentals catch up to the market, and if investor optimism fades, where should investors look to park their money?

Here are two stocks that I plan to add if markets plunge in 2019 — stocks with strong fundamentals that aren't tied to consumer spending and are quite defensive.

CGI Group Inc. ([TSX:GIB.A](#))([NYSE:GIB](#))

CGI is a top Canadian [tech stock](#) that is the world's fifth largest independent IT services and outsourcing provider.

The IT services industry is an industry that I want to be invested in, as it's in for strong growth ahead.

And CGI Group is the company to get behind.

With organic growth returning, strong cash flows, a strong balance sheet, and a successful track record of making and integrating acquisitions, CGI can be expected to continue to make its shareholders big money.

Backlog is strong, margins continue to rise, and the stock continues to provide shareholders with strong, market-beating returns.

Year-to-date, CGI stock is up 8%, it has a one-year return of 18%, and a five-year return of 143%.

Waste Connections Inc. ([TSX:WCN](#))([NYSE:WCN](#))

Waste Connections stock has a strong history of dividend increases and capital appreciation, as the company continues to crank out cash flow and earnings at a healthy pace.

This is another stock I would add if markets plunge, as its results and financials drive home the value that this stock offers investors.

The company has been achieving an impressive free cash flow margin for years now. In 2015 and 2016, the ratio was just above 16%, in 2017 it was just over 15%, and in 2018 it was 17.9% of revenue.

Also, with a 24% dividend growth rate in 2016, a 22% dividend increase in 2017, and a 14% dividend growth rate in 2018, Waste Connections has provided its shareholders with a steady and growing dividend that they can count on.

Year-to-date the stock is up 18%, it has a one-year return of 20%, and a five-year return of 183%.

Final thoughts

Both CGI Group and Waste Connections have very strong fundamentals that continue to drive the stock prices higher.

Going forward, we can expect these quality companies to continue to thrive, as they are both leaders in their respective industries, which are both strong growth industries.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. NYSE:WCN (Waste Connections)
3. TSX:GIB.A (CGI)
4. TSX:WCN (Waste Connections)

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