Build a Millionaire Fund With These Recession-Proof Investments

Description

Across the market, there are increasing indications that the incredible run that the market has enjoyed this year, and by extension, over the course of the past few years, may be coming to an end. Last week statistics Canada announced the economy trickled to a near stop in the fourth quarter of 2018, registering its lowest performance in over two years with growth coming in at just 0.1%.

Adding to those woes is the fact that the once white-hot housing market also witnessed a sharp decline in the final months of 2018, and the prolonged weakness in oil prices continued to wreak havoc across the market.

All of those factors were key points in the Bank of Canada keeping rates at their current levels, abandoning the aggressive stance taken just a few months ago that was keen on further increases.

In short, the economy is treading dangerously close towards a recession, and investors should take a moment in considering how recession-proof their portfolios really are. Recession-proof investments are unique. Contrary to what many believe, there are several compelling investment options on the market today that are recession-proof favourites to weather any market slowdown.

The first investment that comes to mind is **Fortis** (TSX:FTS)(NYSE:FTS), which happens to be one of the largest utilities on the continent with operations in Canada, the U.S., and the Caribean. Utilities provide a necessary service to the communities that they serve, and the revenue that utilities earn for providing that service are noted in regulated long-term contracts known as Power Purchase Agreements (PPAs).

PPAs typically span several decades in duration, translating into a steady stream of recurring revenue for the utility, irrespective how well the market is faring. In the case of Fortis, the company has 3.3 million utility customers across ten different utilities, of which 97% are regulated.

Adding to that appeal is the quarterly dividend that Fortis offers investors. The current payout provides a healthy yield of 3.76%, and Fortis has maintained annual consecutive hikes to that dividend for well over four decades and continues to target an annual 6% increase through 2023.

Another interesting pick for cautious investors is **BCE** (TSX:BCE)(NYSE:BCE).

BCE has established what can only be described as an empire of assets over the years, with the telecom moving far beyond the typical subscription service offering of wireline, wireless, TV and internet service to include a bevy of radio and TV media holdings as well as ownership in professional sports teams.

In fact, BCE's moat around the Canadian economy is so secure that most of us will use BCE's network or consume content from one of its media holdings on a daily basis without even realizing it. Perhaps the most impressive and lucrative opportunity for BCE comes in the form of the company's massive wireless network.

Wireless data service has evolved in the past decade to become a staple, if not a necessity of our modern society, and that reliance is only going to increase in the coming years as the network speed and bandwidth improvements that are being introduced with 5G usher in a new era of IoT and AI enhancements set to revolutionize our world.

As a dividend investment, BCE has been rewarding shareholders for well over a century and currently offers an appetizing quarterly yield of 5.38%.

Besides our need for electricity and connectivity, food is our most basic need. For that reason, investors looking to diversify should strongly consider the recession-resistant **Metro** (TSX:MRU).

While there are several compelling reasons for an investor to select Metro as an investment option, the three key points that investors need to focus on are growth, Metro's dividend, and future opportunities.

Specifically, Metro's foray into the pharmacy sector through the Jean Coutu acquisition will open up a new network of stores to cross-sell its products to a larger market, while providing multi-year growth to the current 1.62% yield the company offers.

Metro's move into the online order and delivery service coupled with its meal-kit acquisition are set to provide a unique hedge against the growing threat of online retailers.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:FTS (Fortis Inc.)
5. TSX:MRU (Metro Inc.)

PARTNER-FEEDS

1. Msn

2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/19
Date Created
2019/03/10
Author
dafxentiou