Beat Recession Fears: Consider Hiding in These “Safe” Stocks

**Description**

With news of a yield curve inversion stoking fears of a recession south of the border, and discontent with Brexit machinations rattling an already uncertain Eurozone, it seems that fear in the markets is set to be a permanent feature of 2019’s investment landscape. Indeed, with some analysts even suggesting a full-on bear market may be around the corner, it could be time to look at some big-name defensive stocks.



## Banking and energy remain solid defensive plays

Anyone looking to insider confidence as a sign of a strong buy should note that more shares have been bought than shed by **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) insiders over the last three-month period, while inside buying has been fairly consistent over the past year. With a clean balance sheet but a low tolerance for bad debts, Scotiabank isn’t much different from most of the other Big Six bankers.

However, buying shares in Scotiabank could increase an investment by 32.76% over five years, and while that isn’t the kind of percentage that would leave a high-growth investor salivating, as a defensive play, it could add growth as well as backbone to a portfolio.

With an attractive P/E ratio of 10.6 times earnings and a tasty dividend yield of 4.87%, Scotiabank ticks all the boxes for a defensive addition to a portfolio, while a 6.6% annual earnings growth projection is fairly good for a Canadian banker at the moment.

## Adding solid gold stocks is a smart move right now

Check out something sturdy such as **Lundin Mining** (TSX:LUN). It’s got a good track record, shown by a five-year average past earnings growth of 21.6%, a clean balance sheet (see a low comparative debt level of 0.3% of net worth), and it’s fairly valued, with a P/E of 16.7 times earnings. Throw in a dividend yield of 2% and 25.7% expected annual growth in earnings and you have a winner.

Moving on, adding **Enbridge** (TSX:ENB)(NYSE:ENB) to a portfolio would provide both growth (see a projected five-year return of 20.17%) and defensiveness to a portfolio, and makes for a solid counterweight investment when buying shares in anything potentially volatile. While the spectre of low oil could continue to haunt the markets in 2019, diversified Enbridge has such a large market share that it's less of an issue here.

With a five-year average past earnings growth of 33% that beats Scotiabank's past earnings growth average of 5.3% for the same period, Enbridge is a passive income investor's dream at the moment, with a high dividend yield of 6% matched with a 34.7% expected annual growth in earnings. It's getting better in the balance sheet department, too, with a level of debt to net worth being reduced over the past five years, from 142.1% to 88.7%.

## The bottom line

While Enbridge's P/E of 33.7 times earnings is on the high side, an investor can't have everything, and the rest of this sturdy ticker's stats are solid. Meanwhile, adding Scotiabank and a sturdy gold miner to a TSX index portfolio are among the strongest moves a long-term shareholder can make at the moment, especially if passive income and growth are high on the agenda.



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1. Bank Stocks
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**TICKERS GLOBAL**

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:ENB (Enbridge Inc.)
5. TSX:LUN (Lundin Mining Corporation)

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