



## 3 Stocks to Hold in a Recession

### Description

Last week the U.S. 10-year Treasury experienced a yield curve inversion, with the Canadian 10-year bond following up with its own soon after. This suggests that there is a 25-30% chance of a recession in the next 12-18 months. Economists and analysts have hotly debated the significance of this [yield curve inversion](#).

Investors should always pay attention to potential risks, especially as we sit so late in the recovery cycle. A pullback is inevitable, and even a mild one is worth preparing for. Today we are going to look at three stocks that are worth holding in the event of a recession.

### Brookfield Infrastructure Partners ([TSX:BIP.UN](#))([NYSE:BIP](#))

Brookfield Infrastructure Partners aims to acquire and hold quality, long-life assets that generate stable cash flows. Shares of Brookfield have climbed 17.4% in 2019 as of close on March 28. The stock is up 4.2% from the prior year.

In its year-end results, the company reported net income of \$410 million in 2018 compared to \$125 million in the prior year. This was due to improved performance in its operations, contributions from recent acquisitions, and a nice boost on the sale of its investment in a utility. The board of directors declared a quarterly dividend of \$0.5025 per share, which represents an attractive 4.5% yield. The company has delivered [dividend growth](#) for 11 consecutive years.

### Saputo ([TSX:SAP](#))

Saputo is a Montreal-based dairy processor and cheese producer. It is one of the largest in the world. Shares have climbed 16.1% in 2019 as of close on March 28. The stock is up 10% from the prior year.

In the third quarter of fiscal 2019, Saputo saw revenues rise 18.4% year-over-year to \$3.577 billion, which was largely due to the contributions of recent acquisitions. Adjusted net earnings fell 4.8% from the prior year to \$174.4 million. Broader market factors have hindered growth in recent quarters, but

Saputo still boasts a wide economic moat that should entice investors on the hunt for a defensive stock.

Saputo last announced a dividend of \$0.165 per share, which represents a modest 1.4% yield. The company has achieved dividend growth for 19 consecutive years.

## Alimentation Couche-Tard (TSX:ATD.B)

Alimentation Couche-Tard is a Quebec-based company that operates convenience stores worldwide. The stock has climbed 15.4% in 2019 so far. Shares are up 37% year over year.

The company posted record results in the third quarter of fiscal 2019 as net earnings climbed to \$612.1 million, or \$1.08 per share compared to \$482.4 million or \$0.85 per share in the prior year. Alimentation announced a 25% increase in its quarterly dividend to \$0.125 per share, which represents a meagre 0.5% yield. However, the company has achieved dividend growth for 9 consecutive years.

Alimentation now has over 4,900 stores operating in North America and 1,900 stores in Europe. Convenience stores have been historically robust during difficult economic times, with customer traffic remaining steady in the face of varying conditions. This is a stock to trust during turbulent times.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:SAP (Saputo Inc.)

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