# 2 Consumer Defensive Stocks that You Can Take All the Way to the Bank!

## Description

Regardless of where things are at in the market cycle, it's never a bad idea to have a few defensive consumer stocks peppered throughout an investor's portfolio.



Defensive-style stocks will most often be found in businesses whose sales cycles are more reliable and less vulnerable to swings in consumer sentiment.

For example, if the economy is expanding and corporate profits are on the rise, it tends to result in higher wages for employees and stronger market returns overall.

Those earnings and profits can in turn be reinvested back into the economy through large consumer discretionary purchases on such things as a new automobile, vacation property or home furnishings.

Conversely, when the economy isn't doing so well, most households will tend to scale back on these types of optional, or discretionary, purchases until things begin to improve again.

In the meantime, everybody still needs the essentials — a place to call home, a way to get to and from work, and food to eat every day are all parts of our everyday life that we simply can't afford to go without.

So even when economic times are tough, businesses that sell these types of goods and offer these types of services will still tend to perform relatively well.

Enter **George Weston Limited** (TSX:WN).

The story of George Weston Limited began back in 1882 with a wagon load of fresh-baked bread, and it's a business that has been passed on down through four generations with a mission to bring food to every day Canadians and improving the quality of life in communities where it does business.

Thanks to its determined focus on long-term stable growth supported by ongoing capital investment, it's a strategy that has helped it to become one of the largest corporations in North America.

In addition to its interests in the Loblaws and Weston Foods supermarket franchises, George Weston also acquired the $3.7 billion stake in **Choice Properties Real Estate Investment Trust** that was spun out from subsidiary **Loblaw Companies Ltd** last year.

In addition to an extensive network of food processing and distribution assets, Weston can also lay claim to owning the country's largest diversified REIT.

As long as there is an economy, there will be a demand for food and those that can supply it, and in this respect, George Weston may just be an ultimate consumer defensive stock.

Meanwhile, if you were to walk into your local Weston Foods or Loblaws and take a stroll over to the frozen foods section, it would be hard to miss seeing any one of **High Liner Foods Inc** (TSX:HLF) branded product lines including the likes of namesake High Liner, Fisher Boy and Sea Cuisine.

High Liner's stock pays a 7.38% dividend yield, but that's far from all there is to like about this company.

As North America's leading processor of frozen seafood products, High Liner's been around for a long time, with roots that date back all the way to 1899.

But it's also been able pace with the changing times as well, recognized as a global leader and sourcing 99% of its seafood from sustainable fishery and agriculture methods.



Granted, the company's fourth-quarter results left something to be desired, with sales and net profits down over the year ago period, but the company hopes that things will begin to improve again by 2020, aided in part by an organizational restructuring plan that aims to shave up to $10 million off annual expenditures.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. TSX:HLF (High Liner Foods Incorporated)
2. TSX:WN (George Weston Limited)

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