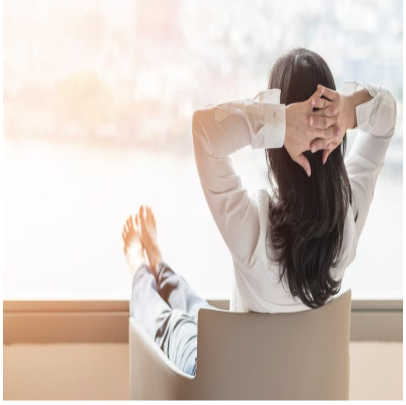

3 Blue Chip TSX Stocks You Can Rely on Even During a Recession

Description

Earlier this year there was a short-lived but definite inversion in the bond yield curve.

While that's not something that has anything directly to do with the stock market, an inverted yield curve has a demonstrable track record of preceding recessionary periods in the economy; a recession in our economy would inarguably not be good for stock market valuations.

However, that doesn't mean that it will happen. Even if it did, everyone knows that trying to time the market is a mug's game at best, but investors will still want to be prepared for such a scenario in the unfortunate event that things do ultimately unfold that way.

That said, here are three recession proof stocks that should go a long way in helping you to weather any storm that may be coming our way.

BCE Inc. (TSX:BCE)(NYSE:BCE) is one of the oldest and most established of the Canadian publicly traded companies, as Bell Canada has played such a vital role in the lives of so many Canadians over the years that most readers will already be very familiar with what the company does.

It's true that BCE and other cable and media companies have faced headwinds in recent years thanks to a host of different industry challenges. That phenomenon has much more to do with secular changes in the way people are getting their content these days and far less to do with cutting back on wireless and home entertainment spending because of pressures in the economy.

This is an important factor for readers to recognize. If the economy did slow down, you could easily make the argument that Bell's services and products may actually become more attractive as cheaper forms of entertainment compared to some of the other alternatives are out there.

Meanwhile, the BCE shares are paying a solid 5.24% dividend right now that's well supported by the company's underlying cash flows.

This is certainly the kind of stock with which you can rest easy at night as a shareholder.

Saputo Inc. (TSX:SAP) meanwhile, is one of North America's largest dairy processors that has recently expanded its operations into the Australian market.

Saputo clearly falls into the category of consumer staples companies and the defensive nature of businesses that sell household staples historically serves their shareholders well during times of market duress.

Mind you, SAP stock is only yielding a dividend of 1.47% right now, but the defensive nature of the business along with the resiliency the company's shares have shown over the past several years together add up to very good reasons to own this stock at this stage of the market cycle.

Enbridge Inc (TSX:ENB)(NYSE:ENB) may surprise some readers by showing up on a list of defensive investments, as many people consider Enbridge an energy stock. Energy stocks have a reputation of being notoriously volatile, something that has been particularly true over the past couple of years.

But while Enbridge is in fact officially listed as an energy stock, the nature of the company's business is actually much different from that of your typical oil and gas producer.

It's actually in the business of transporting crude oil and gas rather than selling it to end-markets, and the way in which the company has set itself up is such that it's predominantly reliant on longer-duration fixed-price contracts that help to insulate it from wild swings in energy prices.

Longer term, you could make the case that the outlook is more bleak than it was a decades ago, but that shouldn't affect things much in the short to intermediate term. In the meantime, the 5.86% dividend yield coupled with plans for more significant increases to its dividend in the coming months make this an ideal, defensive dividend investment.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
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