



## 3 Defensive Sectors to Invest in for Dividends This Weekend

### Description

Indeed, taking a look at the **TSX** today is a bit like looking out over a stormy ocean, with peaks and troughs moving fast in various sectors. Given the almost unprecedented mix of stressors, investors may well be eyeing the stock markets with some trepidation at the moment.

That's why I'm going to focus on several defensive areas today that are unlikely to be greatly changed by what's going on in certain areas, such as the oil patch and higher risk asset classes.

### Look beyond the Big Five for defensive banks

Commentators have been quick to hate on Canadian banks of late, and while there is arguably [a case to be made for caution](#) at the moment, not all bankers were born equal.

Cheaper than its peers, **Laurentian Bank of Canada (TSX:LB)** also dishes out meatier dividends. With a forward annual yield of 5.8%, an investor might wonder what all the Big Five fuss is about. What's more, those dividends have grown by an impressive 27% in the last half decade.

### Recession-ready consumer staples are a must-have

**Loblaw (TSX:L)** is ideally positioned for a recession if it comes, meanwhile, and a great buy even if it doesn't. Add a 1.79% dividend yield to its potent mix of dominant market share and an innovative approach to blending tech with the traditional shopping experience and you have a nicely valued stock worth adding to your TFSA shopping basket.

One thing that stands out to me is Loblaw's shop-and-scan program, allowing customers to scan their items and skip the queue, thereby speeding up the retailer's turnover and attracting customers looking for a speedy shopping experience.

There's also Loblaw's online initiative that blends Internet shopping with a brick-and-mortar approach. All of this adds to the wide moat that makes Loblaw the top choice for a grocery retail stock.

## Build a life raft with super-defensive energy stocks

For the investor more interested in utilities than in fuel sources, **Fortis** ([TSX:FTS](#))([TSX:FTS](#)) is the obvious choice in these turbulent times. Its value isn't bad, and it pays a meaty dividend that's currently yielding a cool 3.42%.

Beyond its massive customer base and mix of energy sources, a canny management style is one of the main reasons to buy and hold Fortis. Having sold its 51% stake in the Waneta Expansion Hydroelectric Project, Fortis now has an extra billion freed up for reinvestment elsewhere.

In short, Fortis is an intelligently managed, super-defensive stock ideal for a long-term position.

Nuclear energy is also a popular choice right now. It's not just governments that are bullish on uranium at the moment – some high-profile market leaders are getting in on the trend, too.

A couple of months ago I mentioned that Bill Gates had come out [in favour of nuclear power](#), amid a backdrop of global interest in clean and affordable energy sources. It's also no great secret that master investor George Soros is heavily invested in **Cameco** ([TSX:CCO](#))([NYSE:CCJ](#)).

With a stash of 467 million pounds of proven and probable uranium reserves and operations that span North America, Eurasia, and Australia, Cameco is your wide-moat pick for a stock that marries energy with mining.

A cart-load of upside potential, attractive value for money, and a small dividend yield likely to grow make it a compelling choice for a TFSA right now.

## The bottom line

A fairly healthy stock with some growth potential, Cameco has the edge in the uranium space, while Fortis remains the strongest contender when it comes to utilities.

Both Laurentian Bank and Loblaw are also strong choices for a TFSA, with the grocery retailer being especially attractive right now thanks to its defensive nature as a consumer staple stock and healthy dividends.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
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5. Metals and Mining Stocks
6. Stocks for Beginners

## TICKERS GLOBAL

1. NYSE:CCJ (Cameco Corporation)
2. NYSE:FTS (Fortis Inc.)
3. TSX:CCO (Cameco Corporation)
4. TSX:FTS (Fortis Inc.)
5. TSX:L (Loblaw Companies Limited)
6. TSX:LB (Laurentian Bank of Canada)

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