Is Your TFSA Recession Ready? Load Up These 2 Stocks and It Will Be!

Description

If you're like most retail investors, flashing recessionary indicators like the yield curve likely has you a bit rattled and perplexed as to what your next move should be.

Are we headed for that dreaded global recession? And will it entail a 50% decline in the stock market? Should you just ignore the seasoned economists who are calling for doomsday while urging investors to "sell everything" before the big purge?

Like it or not, uncertainty is the new normal, but as a Foolish investor, you're not going to make rash decisions with your TFSA based on what you heard from some random talking head on television.

At any given time, there are huge bears and bulls, each with a different interpretation of the same economic data. So, before you buy into one extreme, remember that you're in it for the long term because a big part of becoming a successful investor is not about timing the market, it's about time *in* the market.

So, if those doomsday woes have got you feeling a bit dreary on stocks, consider adding the following two "all-weather" stocks to your TFSA today. They'll do well over prolonged periods and won't blow up in your portfolio at the first signs on an economic downturn.

Fortis

As good as it is to only invest in opportunities that come with large margins of safety, sometimes you've just got to pay up for quality, especially if your TFSA portfolio is lacking of "essential nutrients" needed to thrive in dire economic conditions.

Fortis (TSX:FTS)(NYSE:FTS) is one of the few blue chip securities worthy of a premium multiple. With a highly regulated (and growing) free cash flow stream, Fortis is probably the “safest” investment as far as equities are concerned. While the stock isn’t cheap at current levels, I’d say you shouldn’t feel too bad about picking a “fair price” for a stock that’ll absorb a tremendous amount of shock should the global economy fall into that much-anticipated recession.

With or without a recession, Fortis is a regulated utility that’ll keep kicking butt, raising its dividend by around 6% per year in conjunction with its cash flow stream. At the time of writing, Fortis trades at 20.3 times trailing earnings and 1.5 times book, in line with the firm’s historical average multiples.

A fair price for a wonderful company is what you’re getting, so if you’re overexposed to cyclical names, Fortis is what precisely the type of security that you’re looking for.

Quebecor

Up next, we have a telecom company that you’ve probably never heard of if you don’t reside within the province of Quebec. Like Fortis, **Quebecor** (TSX:QBR.B) is a cash cow with an encouraging long-term growth trajectory.

The name is behind the Quebec-based telecom company Vidéotron, which provides cellular, cable TV, internet services, and other forms of media primarily to the Quebec market. Given that the Quebecois are extremely loyal to their Quebec-based brands, Quebecor may be seen as having a larger moat than that of the Big Three telecoms, which may be on the cusp of a violent price war for data and internet services.

Quebecor doesn’t look like a promising growth name with sluggish 2.8% in annual top-line growth numbers over the past five years. But having a look under the hood, Quebecor’s long-term value proposition becomes more apparent. Operating margins have been on the uptrend over the last few years, and as management looks to beef up its ARPUs, I suspect margins (and profitability) may have more room to run.

Quebecor may have less top-line growth than the Big Three behemoths, but I think it’s got a “stickier” service around its home province of Quebec and an opportunity to grow its EBITDA through the roof as new telecom tech continues to be rolled out.

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2. TSX:FTS (Fortis Inc.)
3. TSX:QBR.B (Quebecor Inc.)

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