



2,200 Canadian Jobs Were Lost in June: These 3 Stocks Will Help Protect You

Description

The latest job market data in Canada shows that 2,200 jobs were lost in June 2019, which raised the unemployment rate to 5.5%. It was lower than the 5.4% reading in May but is also the lowest mark since 1976.

Job security is a major concern whenever the economy is slowing down. Investors who fear rising unemployment rates can take refuge in stocks like **Husky Energy** (TSX:HSE) **Laurentian Bank** (TSX:LB) **North West Company** (TSX:NWC) that offer protection and [supplementary income](#) in the event of a job loss.

Energy driven

Analysts are predicting Husky Energy to deliver stronger gains in a year's time. The stock is underperforming in 2019 but is starting to show signs of gaining ground in the quarters ahead. HSE might spring a major surprise and climb by 59.6% to \$20 from \$12.53.

The \$12.5 billion integrated energy firm reported an 85.37% increase in net earnings or \$1.457 billion in 2018. In the first quarter of 2019, the all-important metric showed significant improvements compared to the same period in 2018.

Husky's generated funds from operations and net earnings increased by 7.1% to \$959 million and by 32.2% to \$328 million, respectively. CEO Rob Peabody said the structural transformation of the business over the past years is bearing fruit.

The mandated quota in Alberta brought down upstream production from 304,300 barrels of oil equivalent per day (boe/day) to 285,200 boe/day. But Husky is still on track to meet the internal guidance in 2019. The balance sheet is strong, which indicates the annual dividend yield of 4% remains safe and secure.

Strong niche client base

Laurentian Bank offers protection against any threats to employment tenure. The \$1.92 billion bank of small- and medium-sized enterprises pays a high annual dividend of 5.78%. Back in February this year, analysts were already saying the stock price is bound to hit the \$50 mark or higher sooner than later.

The bank is no value trap, even with the concentration on Canadian retail clients. Some investors say the bank risky, yet they can't ignore the stock since the dividend yields of the [big banks](#) pale in comparison.

Laurentian Bank is a profitable bank whose net earnings in 2018 were only \$1 million short of \$1 billion. The balance sheet assets are worth \$45 billion with \$30 billion in assets under administration.

Catering to the underserved market

North West Company is also a niche player, as service is focused on underserved rural communities and urban neighbourhood markets. The \$1.5 billion retailer of food and everyday products is well known in Northern Canada, Western Canada, rural Alaska, the South Pacific islands, and the Caribbean.

The net earnings are trending upward and have averaged nearly \$77 million annually since 2017. With a stable grocery business and 4.36% annual dividend yield, this stock is good defence against a weak job market.

Lastly, the running job growth rate is not in immediate danger of being overtaken by population growth. Nevertheless, it pays to be a step ahead in case of worries about losing your regular income due to job displacement.

CATEGORY

1. Bank Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:LB (Laurentian Bank of Canada)
2. TSX:NWC (The North West Company Inc.)

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