



## 3 Must-Have Defensive Stocks to Help Save You from a Market Crash

### Description

Markets sold off sharply following Wednesday's Fed announcement that it would be cutting its official policy rate for the first time since 2008.

Critics have speculated for much of the past decade what could happen if central bankers ran out of space to cut rates, so it stands to reason how this week's news could have sparked some fears in the markets.

Of course, no one quite knows what will or could happen next, but here are three blue-chip defensive companies that could help save you in the event of any forthcoming market crash.

Ontario electric utility **Hydro One** ([TSX:H](#)) is about as defensive as it gets.

Not only does its 30,000 km of transmission lines cover 98% of the province, but 99% of its revenues are tied to regulated cost-of-service contracts.

However, it has been undergoing an unusual amount of change as of late, following the government's decision to divest its majority stake through three separate public offerings.

A new management team has been put in charge as a result, motivated by cost cutting and operational improvements including \$135 million of productivity savings executed during 2018.

The company raised its dividend payout by 5% earlier this year, which now yields 4.13%, and anticipates that it should be able to maintain that level of growth through organic initiatives over the next five years.

**Molson Coors Brewing** ([TSX:TPX.B](#))([NYSE:TAP](#)) also raised its dividend by 39% last month in an effort to restore investor confidence following a period where it had continued to pay a regular dividend but had made it clear that it was suspending any imminent rate hikes.

Now that the dividend policy has been restored, investors can expect more hikes down the road thanks to a conservatively managed dividend policy that's kept its payout ratio at less than 50% of earnings.

While it's faced challenges combating smaller rival craft brewers, there will be some hope placed in its forthcoming joint venture with licensed cannabis producer **Hexo** to produce a line of cannabis-infused beverages under the Truss brand, slated to hit shelves later this year just in time for the holiday season.

**Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is another stock that neatly fits the bill as a [defensive investment](#).

Not only does BEP pay its shareholders a 5.7% annual dividend, but the cash flows it generates are tied to fixed-rate contracts that are set independent of economic growth.

BEP also boasts an investment-grade balance sheet and experienced management team in addition to plans to consistently raise its distribution by a minimum of 5% and as much as 9% annually for the indefinite future.

## CATEGORY

1. Cannabis Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

## TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:TAP (Molson Coors Beverage Company)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:TPX.B (Molson Coors Canada Inc.)

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