



2 Stocks to Own Through a Market Meltdown

Description

Trade tensions between China and the United States are starting to take a toll on equity markets, and that has investors wondering which stocks might be attractive in the current environment.

Let's take a look at **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) and **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) to see if they deserve to be in your portfolio.

BCE

BCE is Canada's largest communications company with world-class wireline and wireless networks delivering mobile, TV, and internet services to businesses and residential customers across the country.

The company has a wide moat due to its size and the nature of the Canadian market. Most people and businesses consider the services they receive from Bell as being essential, so there is built-in protection against an economic downturn. At the same time, global financial and geopolitical issues have limited direct impact on the business.

The drop in bond yields over the past few months and the decision by the Bank of Canada to put interest rate hikes on hold should be positive for Bell. The cost of debt to fund capital projects is cheaper, and the stock is less at risk of being sold off in favour of fixed-income alternatives that become more competitive when interest rates increase.

BCE just reported Q2 2019 results that came in better than analysts expected. The company generates solid free cash flow, and its dividend provides an attractive 5.2% [yield](#).

Barrick Gold

Barrick Gold is enjoying a nice rally amid the the recovery in gold prices. The yellow metal is now at a six-year high, having soared from US\$1,200 last fall to above US\$1,475.

Safe-haven buying is picking up steam, as investors fear the U.S.-China trade war could cause a global economic downturn. Brexit uncertainty has the potential to drive gold demand even higher in the coming months.

Barrick Gold still appears cheap considering the improved state of its balance sheet and the ability to generate significant free cash flow if gold holds its current level or moves higher. Barrick Gold merged with Randgold Resources at the beginning of 2019 to create a mining giant with half of the top 10 mines on the planet and a number of high-quality development projects.

The company raised the dividend last year, and investors should see another increase before 2020.

Commodities tend to move through cycles and gold could be at the beginning of an extend rally, especially if the U.S. Federal Reserve continues to cut interest rates over the next 12-18 months.

The bottom line

Given the medium-term outlook for the broader market, these stocks deserve to be on your radar. BCE and Barrick Gold are leaders in their respective industries and should be solid picks for your portfolio today.

CATEGORY

1. Investing
2. Metals and Mining Stocks
3. Stocks for Beginners

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2. NYSE:BCE (BCE Inc.)
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