



3 Defensive Stocks to Protect Against a Market Crash

Description

Here we go again. It seems every few months, trade threats take centre stage, and the markets suffer mini-corrections. We live in a time of considerable uncertainty, and volatility continues to rule the day.

For investors who can't stomach volatility, the threat of a market crash is a stressful proposition. For such investors, it would be wise to invest in stocks that have a low beta, and that are defensive in nature. That is to say, they tend to outperform when the markets correct.

With that in mind, here are three high-quality, defensive stocks to protect your portfolio against a market crash.

Kirkland Lake Gold

Every investor should have exposure to gold, which has long been a safe-haven for significant volatility. It also just happens to be the perfect storm for the precious metal. Recently, it has broken through key resistance, and gold miners have [started to catch a bid](#). The good news is that this all started before the recent volatility, and recent events will only accelerate a sector shift.

One of the best positioned to take advantage is **Kirkland Lake Gold** (TSX:KL)(NYSE:KL). Kirkland Lake has been the best-performing stock in the industry and doesn't have any of the negative associations from the previous industry crash. It has proven it can deliver and is expected to grow production by 30% annually over the next few years.

Fortis

Utilities are synonymous with the defensive investor. Why does a market correct? Typically, it is the result of uncertain economic activity and the threats of a recession. In such times, interest rates are cut and capital-intensive industries benefit. Are we in the midst of a recession? Not quite, but last week's interest rate cut by the Feds south of the border is certainly a warning sign.

Take solace in **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), one of North America's premier utility companies. Fortis has the second-longest dividend-growth streak in Canada at 45 years. In anticipation of the recent rate cut, Fortis has returned 15.1% in 2019. Expect this outperformance to continue in times of uncertainty.

Park Lawn

As the saying goes, there are only two certainties in life: death and taxes. **Park Lawn** ([TSX:PLC](#)) is well positioned to take advantage of the former. As the only Canadian publicly listed firm in the funeral business, Park Lawn [has been a star](#).

Amid the market fear, Park Lawn will continue to quietly go about its business. The industry is highly fragmented and ripe for consolidation. Park Lawn has taken full advantage of this and is proving to be an adept serial acquirer. A dip in interest rates will be a boon for the company, as it will result in lower borrowing costs.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

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1. Editor's Choice

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3. TSX:PLC (Park Lawn Corporation)

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Author

mlitalien

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