Get Defensive! 2 Stocks to Buy TODAY

Description

After what was an incredible run in 2019, in the past week the markets finally took a breather. With the market up by double-digits this year, it was hard to argue that a pullback wasn't overdue. That pullback was followed by something else, which has an impeccable record of predicting recessions – the inverted yield curve. What this essentially means is that in the inverse world of bonds, where stronger demand drives bond prices lower, we have more people buying up those long-term notes, and likely selling off stocks in the process.

To be fair, while the inverted yield curve does have a great track record of *predicting* recessions, it by no means can tell us when. By way of example, the inversion that predated the Great Recession came well over two years before the market started its substantial pullback.

What does any of this mean? The current market volatility has exposed several already great investments as superb buys that are also defensive enough to withstand a prolonged slowdown.

Don't stress. This company will find any distressed assets

In the lucrative world of asset managers, **Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) reigns supreme. The company manages some of the largest and most well-known properties and businesses across the world, with prime examples being large swaths of downtown Toronto, New York, and Sydney, as well as well-known properties such as Canary Wharf and Atlantis Bahamas.

Brookfield's business is not only focused on real estate. Brookfield's infrastructure, renewable energy and private equity portfolios that have similarly lucrative growth opportunities for investors. In short, the company acquires alternative assets that are distressed and then turns those businesses around for a quick profit, or in some cases, continues to operate them.

That broader spread of alternative assets provides a hint of diversification, adding to the overall appeal of the company. Brookfield's 1.29% yield may not resonate as a superb income-producing investment for many investors, but the stock has seen increases of nearly 9% stemming back several years.

Brookfield currently trades at $50 with a P/E of 17.20.

Let the income (and dividends) flow

One of the many things that investors look for in an investment is what I like to call passive continuity. A great investment today that pays out an incredible dividend means nothing if you need to constantly be on the lookout for a sudden shift that could reduce your investment (and that juicy dividend) instead of growing it. In other words, the perfect investment is one where your investment is backed up by a stable business model that is somewhat immune to shifts in the marketplace while also providing you with a handsome (and growing) income. Sounds impossible, right?

Enbridge (TSX:ENB)(NYSE:ENB) checks off those boxes and more. The company operates one of the largest pipeline networks in the world, hauling crude and natural gas to points and storage terminals across North America. More impressively, Enbridge's pipeline contracts are based on the volume of crude being transported, meaning that Enbridge's massive pipeline network is largely immune to the volatile fluctuations in the price of oil.

In terms of performance, Enbridge reported adjusted earnings of $1,349 million, or $0.67 per common share in the most recent quarter, surpassing the $1,094 million or $0.65 per common share reported in the same period last year.

For investors, this makes Enbridge's massive network operate like a toll-road network, and storage facilities across that network operate akin to rest-stops. Either way, Enbridge continues to generate revenue, which then makes its way to investors in the form of an appetizing dividend that boasts a 6.77% yield.

Enbridge currently trades at below $44 with a P/E of 17.98.

Final thoughts

Enbridge and Brookfield represent two superb investment options that are not only great for income-seeking investors but can also serve as defensive core investments for years to come.

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