Hate Seeing Your Portfolio Jump Up and Down? Buy These 2 Stocks

Description

One of the most frustrating things for investors to see is their stocks swing wildly in value. While it may be great when the numbers are green, when the returns are in the red, it's a whole different story.

How can investors make their portfolios more stable?

If you don't have the stomach to go on a wild roller-coaster ride, the good news is that there are many solid, blue-chip stocks that you can buy that won't be significantly impacted by the markets. The one word you'll want to familiarize yourself with is *beta*.

Beta is a measure of how volatile a stock is in relation to the markets. A beta of more than one indicates that the stock will swing more than the market, whereas an amount of less than one indicates that its swings will be milder. The lower the beta, the less of a roller coaster the stock will take you on.

An example of a stock that has a very low beta is **BCE** (TSX:BCE)(NYSE:BCE). At around 0.5 to 0.6, it's a very low beta, and it's unlikely that you'll see the stock move 5% in a single day. The company is simply too stable for that to happen, unless, of course, there is earth-shattering news that has a significant impact on the stock. However, given how conservative the CRTC is, it's not something I'd be worried about happening anytime soon.

Many telecom stocks have low betas simply because the competition is fairly limited, and companies normally see customers move back and forth between providers. Unless BCE were to decide it wanted to expand into a new country, there wouldn't be a whole lot of organic growth we'd expect to see from the business beyond what could be manufactured through rate increases in its existing products and services.

It may sound boring, but boring is a good sign that a stock has a low beta. It means that investors won't be too excited about major market news, and that'll be good if you hold BCE, since you'll collect the dividend without having to worry about the markets significantly impacting your returns.

Alimentation Couche-Tard (TSX:ATD.B) is another great buy for investors that appreciate stability.

Convenience stores will always be popular with consumers, and it's hard to find a bigger presence in that space than Couche-Tard, which has stores all over the world.

The stock has a beta of around 0.3 over the past 36 months, indicating it's actually an even more stable investment than BCE. However, that doesn't mean that you won't earn a good return from owning Couche-Tard. In five years, the stock has risen by around 150%, providing investors with some very strong returns.

Couche-Tard's stock has steadily climbed over the years, and the great news is that there are still more locations it can open, even new products it can introduce to help stimulate sales. Cannabis, for instance, is one area that the company has shown an interest in that could lead to a significant boom in sales for Couche-Tard.

Overall, it's a great option for growth investors that may not want to take on a lot of risk.

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