



## 3 Highly Defensive Stocks to Buy Before October

### Description

The “October effect” is part superstition and part trend, describing the perceived phenomenon of stock declines during the 10th month of the year. While there are few theories to explain the perception that stocks fall in the fall, the expectation may indeed have a slightly depressive effect on markets. With uncertainty in the markets and a smorgasbord of stressors weighing on the financial landscape, the following “safe” stocks may see contrary gains.

### Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is the [biggest and best of the Canadian pipeline stocks](#). Its 6.37% dividend yield combined with one of the widest economic moats on the TSX makes the stock a solid buy for income investors seeking long-term stability with a bit of growth thrown in. With 2,000 megawatts of capacity drawn from alternative sources, Enbridge also adds some diversification to the energy segment of a stock portfolio.

While Enbridge has faced its fair share of challenges over the past year, the recent news that it had come to an agreement with shippers with regards to its new pipeline is encouraging. The Line-3 Replacement Project is historically Enbridge’s largest such endeavour, and the announcement that the pipeline will be ready for commercial service by the end of 2019 has seen Enbridge’s stock up a few percentage points at the time of writing.

### Nutrien

**Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)) is a major supplier of the world’s potash and, as such, is a great one-stop play for agri exposure. The miner and nutrient product supplier commands a wide and solidly defended moat with no other such producer coming close to its dominating market share. Paying a tasty dividend yield of 3.45%, the stock is a strong buy for defensive income, though it trades with somewhat mixed market ratios.

It could be argued that Nutrien is one of the most defensive stocks on the TSX given its standing as

the largest fertilizer producer in the world by sheer capacity. Pumping out all three nutrients essential to crop farming, namely nitrogen, phosphate, and potash, Nutrien commands a fifth of the global market share of the latter. Furthermore, Nutrien is America's leading agri retailer in crop materials, including seed and chemicals.

## CIBC

An [impressive third quarter](#) saw earnings up on strong domestic performance for **CIBC**, as well as growth in its American segment, while a shake-up in management adds an element of fresh expertise to the Big Five banker's board. An expanding business and also the cheapest of the big Bay Street bank stocks on the TSX, CIBC is a great long-range play for income and stability. This year saw the banker's share price drop to a three-year low.

## The bottom line

Volatility has the potential to take root in the markets towards the end of the month, while October is famously "cursed" when it comes to stocks. While buying opportunities are likely to open up with stock market declines, a move towards quality will likely see the above stocks rise in value. The logical conclusion is that now might be the best time to buy defensive shares while they trade at relatively lower prices.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:NTR (Nutrien)
3. TSX:ENB (Enbridge Inc.)
4. TSX:NTR (Nutrien)

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