3 Utility Stocks to Protect You During a Recession

Description

It would be hard to come up with any other industry that can protect you better than the utilities industry during a market downturn, and especially during a recession.

This area remains a must-have even during the worst conditions, as people always need to keep the lights on and their houses heated or cooled. That fact has left a number of larger companies expanding while other areas of the market are forced to buckle down.

So today I'm going to look at three great options that should see you through this recession, and well into the future.

Algonquin

Not only is **Algonquin Power & Utilities Corp.** (TSX:AQN)(NYSE:AQN) doing well, but shares of the company recently hit 52-week highs despite heading toward a recession. What investors like about Algonquin is its focus on renewable energy and regulated utilities.

While utilities offer stable income, renewable energy is the future, giving investors hope that this company could indeed explode in the next decade or so.

Another bonus investors should consider is Algonquin's dividend of 4.19% as of writing, which has seen steady growth over the past several years. Given the industries it's involved in, that dividend should continue to grow for the foreseeable future, making it a perfect investment for those looking to get some extra cash even during a market downturn.

Fortis

A no-brainer option, **Fortis Inc.** (TSX:FTS)(NYSE:FTS) has been touted a lot lately for its stable status within the utilities industry. In fact, Fortis is also experiencing a period of growth right now, both inshare price and in the company itself.

The company already operates in Canada, the United States, Central America and the Caribbean right now, but Fortis is looking to expand its U.S. presence even further via acquisition as of late.

Yet again we also have a stable and strong dividend that has been increased repeatedly over the years, with Fortis boasting a 3.45% dividend yield at the moment.

Like Algonquin, it’s also near 52-week highs, but don’t let that scare you. If a dip happens, it won’t be for long, so it’s better to buy up this stock and watch it rise for the next few decades.

Canadian Utilities

Finally, we have **Canadian Utilities Ltd.** (TSX:CU), a company that should see a boost when its earnings results are released next month. Again, shares are trading near 52-week highs, but Canadian Utilities looks like it’ll only continue to grow, and in fact could make an excellent buy-and-hold option for your retirement portfolio.

That’s because the company is a mixture of both electric utilities, and natural gas utilities. Each of these industries brings in about $600 million per year in annual earnings from locations across North America and Australia.

Beyond its already existing infrastructure, Canadian Utilities is also in growth mode, with $1.2 billion each year in planned spending for its growth program set to be completed by 2o21.

These projects coupled with the company’s recent sales should bring in a mass amount of cash to make more acquisitions, which makes Canadian Utilities a great choice to see you through a recession, with strong near-term gains on the other side.

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