



## 2 Recession-Ready Stocks to Buy Right Now

### Description

A recession can seem pretty scary, especially when heading into one. However, recessions are just part of the market cycle. They come, they go, and as a prudent investor you can come out the other end relatively unscathed if you make some preparations.

One way to prepare is to buy up stocks on the cheap that should be pretty much recession-proof. These are stocks that belong to areas of the market that don't need the economy to grow in order to grow themselves. They should also have solid earnings and future potential. These characteristics mean that even during a market dip, the shares should hold their own.

Two stocks that fall into this category to consider are **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) and **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)).

### Royal Bank

Now while I can't say that Royal Bank is recession-proof, I can say that it is recession-ready. Canadian banks fared as some of the best financial institutions in the world during the last recession, and Royal Bank remains Canada's largest bank on the **TSX** based on market capitalization.

The bank is also going through a period of growth at the moment. Its expansion into the U.S. and into the wealth and commercial management sectors have both proven to be quite lucrative for Royal Bank. Both of these areas put a lot of cash into its pockets and into those of its investors.

That cash means that while a Canadian recession will likely bring shares down, they won't stay down for long. During the Great Recession a decade ago, share prices returned to normal within less than a year. So investors can likely look forward to similar results.

In the meantime, Royal Bank just increased its [dividend yield](#) to \$4.20 per year per share, meaning that even when your shares are down you will still be receiving a fairly generous dividend. The share price is higher right now, but when a dip happens I would buy up Royal Bank immediately.

## Nutrien

No matter what, people need to eat. That puts a company like Nutrien into a very [stable position](#) when it comes to growth and investor interest. The company is now the world's largest producer of potash, after a merger between two large crop nutrient companies, putting it into an enviable bargaining position.

As the populations of China and India continue to grow, the needs of these countries will continue to grow as well. The planet isn't getting any bigger, so any company able to provide crop nutrients to such large countries will be sought out and able to push the market in any direction it chooses.

The company's retail division has also increased, especially through acquisitions over the years. In addition to consolidating the industry, Nutrien has brought farming into the 21st century, providing state-of-the-art technology that allows the farming industry to manage all aspects of their business.

The stock price looks to have slipped as of late, so it could be a great time to buy up Nutrien for the long term.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:NTR (Nutrien)
4. TSX:RY (Royal Bank of Canada)

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