



## 3 Recession-Ready Stocks for 2020 and Beyond

### Description

2020 is just around the corner, and many experts are calling for a recession to hit next year. In a recent survey of economists, 70% polled said that they expected a recession no later than 2021, with many calling for one in 2020. Economic forecasts aren't infallible, but such a broad consensus is fairly telling.

We're currently in the midst of an unprecedentedly long North American economic expansion [that has lasted 10 years](#). History predicts that a downturn should be coming any minute. And in fact, we are seeing some early signs of a slowdown, including a decline in U.S. manufacturing.

If you're an investor looking for some quality stocks to keep you safe through a coming recession, the following are three picks that should survive any downturn.

### Algonquin Power & Utilities Corp

Algonquin Power & Utilities Corp ([TSX:AQN](#))([NYSE:AQN](#)) is a regulated utility whose claim to fame is its investments in renewable energy. The company has big investments in wind, solar, and hydro through its Liberty Power subsidiary – green investments that are positioned to thrive as climate change becomes a bigger concern.

That's not to say that Algonquin is a 'green' company all-around. The company does have investments in natural gas distribution. However, its renewable energy projects ensure a high level of compliance with any upcoming climate change regulations – which could be a problem for utilities that [burn fossil fuels](#).

Algonquin's earnings have grown from \$84 million to \$184 million over the last four years, which is a strong earnings track record. The company should be able to keep it up through a coming recession, because heat and light are indispensable services, among the last items people cut out of their budgets in hard times.

## Telus Corp

**Telus Corp** ([TSX:T](#))([NYSE:TU](#)) is a telecommunications company that provides internet, IPTV, and cell service. The company is based in British Columbia and provides service nation-wide.

Telecommunications companies are well poised to survive recessions, thanks to the increasing indispensability of internet and cell phones in modern life. A study from the U.S. during the Great Recession showed that most customers kept their service even at the peak of the downturn, when job loss was at its greatest. This suggest that cellular and internet service are now among the last expenses people are willing to cut out – similar to utilities.

Beyond that, Telus is a great dividend stock, with a 4.71% yield and an aim to increase the payout by 7% to 10% a year until 2022.

## Molson-Coors

**Molson-Coors Brewing Canada** ([TSX:TPX.B](#)) is a brewing company responsible for a number of popular brands of beer. In general, beer and liquor stocks are not great investments, as booze sales are slowing worldwide. This is reflected in Molson Coors' results, which show a decline in earnings over the past two fiscal years.

However, stocks like Molson-Coors may be good defensive plays for recessions. Studies show that people tend to increase their 'vice' spending during recessions, as the pressures of economic woes begin to weigh on them. So, shares in companies like Molson-Coors stand to gain in such situations.

This is certainly not an ethical investing idea. However, if you're truly hard up for recession-ready stocks to choose from, Molson-Coors could be a surprisingly solid bet, as it stands to not only hold its value through a downturn, but actually grow.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:TU (TELUS)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:T (TELUS)
5. TSX:TPX.B (Molson Coors Canada Inc.)

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