3 Stocks to Make Your Portfolio Recession Ready

Description

If you're worried about a recession coming up, there are ways that you can help strengthen your portfolio. For one, investing in some good, quality companies that have recurring customers and strong business models can provide a lot of stability. And stocks that pay dividends can also help minimize potential losses along the way. Below are three stocks that could be good buys for both of those reasons.

AltaGas (TSX:ALA) has had a great year in 2019, and although it hasn't made up for the challenging one that it had in 2018, the stock can offer a lot of potential for investors that buy its shares today. At a price-to-earnings multiple of around 18, and the company having a strong utility business with lots of recurring customers, stability is certainly one of its strengths.

The company is a lot different from years past, as it is now focused more on its U.S. business, and it also cut its dividend significantly. However, with a yield of around 5%, it's still a fairly good dividend for income investors, especially with payments being made on a monthly basis. And if the company can continue producing strong financial results, it's possible we could see dividend payments get a boost as well.

With the stock still trading close to its book value, AltaGas could be a good deal at its current price.

Lassonde Industries (TSX:LAS.A) is another good option for investors, as its food products are a staple at many big retail chains across the country. From Allen's to Oasis, and many others, its brands are well known, and the company's fruit drinks and other items will continue to be bought whether there's a downturn in the economy or not. And with consumers focused more on healthier products, Lassonde's numbers could get stronger.

In each of the past three years, sales have come in at over $1.5 billion, and the company has also generated profits of at least $66 million as well. There's been a lot of consistency from Lassonde, and that makes its dividend, which is currently yielding around 1.3%, very stable. There could even be room for those payouts to rise.

The stock has struggled this year, falling 9% through the first nine months of the year. However, with the stock trading at less than twice its book value, it could also be a good value buy for investors.

Jamieson Wellness (TSX:JWEL) is another well-known brand that has reach all over the world, and its popular vitamins have become the default choice for many consumers. Its trusted name has helped provide the company with a lot of consistency and allowed it to continue to grow. Sales have been steadily rising for Jamieson over the years from $231 million in 2015 up to $320 million in 2018 — an increase of 39% over three years for a company that's fairly mature in its development.

It's been lower down in its financials, which has been the problem from Jamieson, but the company turned a profit in 2018. In each of the past four quarters, it has remained in the black as well. Like Lassonde, it doesn't pay a terribly high yield with payouts coming in at around 1.7%, but they can help generate some income during challenging economic periods.

With dividend income and a stable brand, Jamieson Wellness could be a good option for investors that are worried about what the future might hold for the economy.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:LAS.A (Lassonde Industries Inc.)

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