



2 Tried-and-True Stocks to Buy for a Looming Bear Market

Description

U.S. and China seem to be on the verge of a signing trade deal. According to a Chinese news agency, both parties have reached a principal consensus. The report significantly lessens the panic over a recession. However, investors remain wary, as things can get out of hand again.

One market observer said that the two largest economies in the world will reach a real trade deal only if there is a global market crash or banking crisis similar to the events leading to the 2008 financial crisis. Only then would the U.S. and China make impossible deals come true.

Regular investors can't be complacent, as the threat of recession is still present. While everyone is optimistic about a favourable outcome, you need to [take a defensive position](#).

If you plan to do a reallocation of stocks, be sure to retain **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Pioneer dividend payer

You shouldn't pass up on BMO at any time, because paying dividends has been its tradition for 190 years. Retirement planners, income seekers, and dividend investors during the 2008 financial crisis still hold the stock.

Taking a position BMO in preparation for the coming recession is a logical choice. It's hard to ignore the bank's unbeatable record of dividend payments. Because BMO was the first Canadian company to pay dividends, it will likely continue making the payouts when other stocks have stopped paying.

The narrative is exaggerated, although it describes the friendliness of the bank and its commitment to keep paying shareholders dividends. In each of the last four years, both revenue and earnings have increased. The 4.9% growth estimate of analysts in 2019 is consistent with BMO's current run.

BMO will remain financially healthy for decades to come. The 4.23% dividend that investors are enjoying today is safe and sustainable. There's no need to expound.

The fear of a recession can sometimes be more worrisome than the recession itself. You have no way of finding out when or how it will begin. Also, you have no idea as to its impact on your financial situation. You will only find out when the recession is at hand.

Lessen your anxiety

But you can overcome the fear of recession or [lessen your anxiety](#) by sticking to Fortis. Many long-term investors have stuck with this prime Canadian regulated electric utility company through thick and thin. If you're buying the stock today, you won't be selling your shares.

Fortis is not the highest dividend payer on the TSX. Its 3.5% yield is probably only one-fourth of the highest dividend-paying stock. Nonetheless, your source of extra income during a recession will not dry up.

More importantly, your capital is safe in a low-risk business. You won't see an end to the stream of cash flows that come from five provinces in Canada, nine states in America, and three countries in the Caribbean.

Buy and hold

Don't be lulled into complacency with the press releases that a trade deal is forthcoming. Be on guard but stay invested in BMO and Fortis for peace of mind.

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:FTS (Fortis Inc.)

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