



Safe Stocks: 1 Way to Play This Winter's Wild Sleigh Ride

Description

With a December 15th deadline for a trade deal between the U.S. and China and a general election in the U.K. December 12, it could be a rough time on the stock markets this holiday season. Oil is also under the spotlight, with OPEC holding its bi-annual meeting this week amid a general assumption that production will fall next year, while U.S. shale output also weakens.

Uncertainty is increasing in the markets

A "digital services" tax levied on tech companies by France is also attracting the attention of President Trump, who has threatened a 100% tariff on certain French goods. A similar tax by the U.K. would also test the same waters. Throw in the steel and aluminum tariffs threatened against Brazil and Argentina, and the [risk of a widening trade war](#) could also dampen the markets as well as potentially impact global growth.

The whipsaw effect of continual micro breakthroughs and setbacks is taking its toll, with small gains and losses coming almost daily. However, the coming weeks will likely see an end to the situation, with either a relief rally as a trade deal is agreed upon or a correction if more tariffs are applied and a deal postponed.

Investors looking to [avoid the uncertainty of oil](#), or those who recently closed out during the recent rally, may want to play it safe and look to diversified utilities. This play still offers exposure to energy, but will lower risk and some strongly defensive qualities that are resistant to recession. However, there's an even more defensive way to play the TSX, and you can do it with just one stock.

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is a smart way to play the asset management space. Its alternative assets run into the \$330 billion range, while its world-class management expertise and exposure to defensive classes such as real estate and renewable power make for a mix of quality and safety. Brookfield also has investors covered for access to both infrastructure and the world of private equity.

Safe stocks don't come much more defensive than Brookfield, and with its 1.1% dividend yield, it can

also add some reliable passive income to a long-range portfolio. With assets spread across the United States, Canada, Brazil, and even Australia, this stock isn't just diversified across asset types but geographical locations, too.

For investors who like to look under the hood before they buy, those asset classes break down like this: real estate includes office and retail sites, while Brookfield's power comes from hydroelectric, wind, solar, and storage. A mix of utilities, transport, data, and sustainable resource make up its infrastructure offerings, while its private equity segment holds business and industrial services and operations.

The bottom line

Brookfield is a top stock to stash in a stocking this holiday season, and makes for a reassuring pick for income investors concerned about galloping market uncertainty. It's a solid play for income and with its varied defensive assets, shares in Brookfield can add stability and peace of mind to a long-term stock portfolio.

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