71,200 Jobs Lost in Canada: Does This Foreshadow a Financial Crisis in 2020?

Description

As 2019 comes to an end, there seems to be more reason to talk about the inevitable financial crisis than ever before. The Canadian economy posted some alarming statistics on the job market in November. These are the worst figures since the last financial crisis of 2008.

The unemployment rate is climbing higher in Canada, and the Bank of Canada might be forced to cut down interest rates in 2020. According to Statistics Canada, over 71,200 people lost their jobs in November 2019. The unemployment rate has climbed to 5.9%, the highest it's been since August 2018.

The numbers run counter to the expectations economists had from the economy. They predicted that 10,000 more people would secure employment and the unemployment rate would remain at 5.9%.

The increase in unemployment rates will put more pressure on the **Bank of Canada** to cut interest rates and take action to combat the weakness in the global economy.

Is a financial crisis on the cards?

The Canadian economy is not the only one suffering, however. Financial institutions all over the world are taking measures to combat the overall weaknesses in the global economy.

The U.S. Federal Reserve has lowered interest rates three times in 2019 alone. The global uncertainty caused by the trade war between China and the United States is creating substantial volatility.

The increasing number of people losing jobs is a cause for great concern. Canadians need to reevaluate the measures they're taking to protect their families and themselves from the effects of what could become a financial crisis.

Taking protective measures

If you're worried about the economic situation in the country and fear the worst when it comes to your job, you need to take steps to protect yourself. **Metro Inc.** (TSX:MRU) can be an ideal prospect for you to consider.

Its low-risk and dividend-paying stocks are not among the best dividend payers trading on the **Toronto Stock Exchange**. Still, the company has been paying shareholders their dividends without fail.

At a dividend yield of 1.39%, Metro pays shareholders payouts of $0.20 per share every quarter without fail. The company is among the 95 dividend aristocrats trading on the **Toronto Stock Exchange**, and it's historically kept itself in good shape through previous economic gyrations.

When it comes to securing a source of income through a recession, it's better to stick with something that offers reliable payments rather than something high risk.

The $14.6 billion market cap company is a 72-year veteran on the TSX, operating in the food and pharmaceutical sectors. The company's stocks also boast a dividend growth streak spanning almost a quarter century.

Foolish takeaway

As the single largest employer in Quebec right now, Metro has an expansive network throughout the country. The company is well equipped to handle the effects of a recession because of the necessity of its products even in difficult economic times.

Between that and its prospects to grow its dividend track record, Metro could be an excellent defensive option for a recession.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:MRU (Metro Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/07/05
Date Created
2019/12/17
Author
adamothman