Buy and Hold This Classic 3.7%-Yielding Canadian Stock Forever

Description

Ways to navigate the market, which has been impacted by the coronavirus, are coming in thick and fast. At first there were fuel dips, with the likelihood of travel reductions weighing on the energy sector and opening up immediate value plays. Then there were healthcare stocks, though gains were quickly trimmed, as the unlikelihood of a vaccine appearing on the market any time soon sunk in.

Then there were the big-league company scale-backs, with **Starbucks** announcing that it will temporarily close many of its branches in mainland China, while **Apple** limits travel to the Asian economic powerhouse unless for critical business reasons. Both stocks are prime examples of the strategic value plays on offer as this situation unfolds.

Today, we'll look at three ways to navigate the markets as the needle swings back to fear. From a classic infrastructure stock with a 3.7% yield to a pair of virus-specific picks, let's take a look at what's trending on the markets at the moment.

A defensive, high-yielding play

Brookfield Infrastructure Partners (TSX:BIP.UN)(NYSE:BIP) is on an upward trajectory as passive-income investors seek out the best "forever" dividend stocks. The management style favours quality assets and is well placed to cash in on the groundswell in energy markets as they shift away from hydrocarbon fuels. For buy-and-hold investors seeking long-term income and capital gains from a reassuringly sturdy company, this stock is a solid buy.

In terms of infrastructure stocks, Brookfield Infrastructure Partners is defensively large, globally diversified, and pays a satisfying yield for its sector. The taste for lowering interest rates has helped drive up the company's share price, making for a steeper price tag. However, with almost 150% total shareholder returns expected by mid-decade, it's a low-risk investment that could reward richly.

Two virus-specific stock picks

Alpha Pro Tech leapt more than 50% on the back of the 2014 Ebola outbreak before settling back down. Had an investor been paying attention and timed the market right, this could have yielded a significant windfall. Despite its current nosedive, the stock could repeat history. With its protective apparel segment covering capes and masks, this is one to ride the upside if the contagion spreads.

Looking for a stock to buy the dip? Try **Air Canada** on for size. As travel stocks go out of fashion amid the worsening coronavirus outbreak, the flag-carrier is still headed into the upper atmosphere and could reward the steadfast investor with upside.

Air Canada raked in a massive 170% year-on-year income growth in the last 12 months. While the jet-fuel-value angle is getting plenty of coverage, the chance to snap up an upward-trending airline on slight weakness is a strong choice.

The bottom line

Defensive plays form the backbone of a low-risk approach to emergency investing. Air Canada represents a classic contrarian play while riding the upward trend in a major Canadian airline. Taking a different tack altogether, Alpha Pro Tech is one to jump on in the event that the situation continues. The takeaway? Keep buying.

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