



Canada Bear Market: 2 TSX Stocks to Ride Out a Market Crash!

Description

Like it or not, a bear market is coming, so it's worth your time to [prepare your portfolio](#) so its value won't suddenly evaporate without a moment's notice. Nobody knows when or how the bear will come out of hibernation, but odds are very few will see it coming, and when it's finally time, many ill-prepared investors find themselves in tears.

With that in mind, it's only prudent to prepare well ahead of time so you don't give yourself a chance to fall into a state of panic.

When the bear finally rears its ugly head, portfolios that are overweight in economically-sensitive cyclical stocks could get wiped out, so if you find your portfolio is lacking in defensive or consumer staples, it may be time to make the proper changes so your portfolio is buoyed when the tides inevitably go out.

Contrary to popular belief, you don't need to sacrifice returns (or the magnitude of growth) when you ditch your cyclical for more recession-resilient plays that can offer you better downside protection.

Heck, the stocks I'm about to bring to your attention may actually outperform in an upmarket far better than some of the cyclical plays out there!

Without further ado, consider the following attractive-valued stocks that will fall far less than your average stock in a market crash. It's these names that will give you the best shot to recover any ground lost when all stocks fall deep into the red.

Park Lawn

You've probably heard the saying: there are no guarantees in this world other than death and taxes. **Park Lawn** ([TSX:PLC](#)), Canada's largest publicly-traded death care company, is a company that's poised to experience steady demand for its services through the economy's ups and downs.

While Park Lawn may be a morbid investment, as one of the less-correlated stocks (0.4 beta) on the

TSX, it's likely to be one of the few stocks in the green when the rest of the market is viewed as a sea of red.

Should the economy drag on for a year or even two, it'll still be business as usual for Park Lawn as it looks to take advantage of acquisition opportunities.

Fellow Fool [Aditya Raghunath](#) named Park Lawn as one of his favourite stocks to beat an economic slowdown. With revenue growth expectations of 20% in 2020, Park Lawn is the epitome of an all-weather play that can allow for superior returns regardless of what the economic weather will be.

With shares trading at 27.4 times next year's expected earnings, the stock is misunderstood and severely undervalued, given the company's highly predictable growth trajectory and its unique defensive traits.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is one of my favourite Canadian companies. The convenience store kingpin has a proven formula for growing its earnings at a rapid rate and an incredible management team that knows how to get the job done like few others in the industry.

The seasoned vets working behind the scenes have the ambitious goal of doubling net income in just under five years, a remarkable feat given that Couche-Tard is now a behemoth-sized company.

Couche is a growth-by-acquisition story. The company has the urge to merge, and it's been realizing ample synergies over the years. What many overlook, though, is the fact that management has dipped its toe in a few uncharted growth waters.

It's this prudent "toe-dipping" in new growth markets that I believe will allow Couche to surpass its ambitious goal of doubling net income in five years.

The company has been itching to get into the higher-ROE Australasian markets and has initiated a starter position in a cannabis retail company with its investment in **Fire & Flower**.

Despite the tremendous track record of Couche, management is humble enough to proceed with caution into new growth markets. Whether we're talking unfamiliarity with marijuana retail or new geographies, Couche has taken steps to minimize risks. It's this cautious optimism that will allow Couche to hit its growth targets over the long run.

And if a recession kicks in within five years, expect Couche to take on less damage as a consumer staple that's likely to go looking for bargains in the space.

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