Buy Signals: 3 TSX Stocks to Beat a Stock Market Crash

Description

Is the stock market going to crash in 2020? Will Canada, saddled with rising household debt, fall into recession this year? Will lower oil and weakening manufacturing data pull down the TSX and lead to a widespread sell-off?

These are the questions that cautious investors are asking at the moment, with a number of indicators increasing recessionary concern. However, while the future remains impossible to read, getting a stock portfolio prepared for a bear market is a sound move. Let's take a look at three of the best TSX stocks to buy for portfolio strength.

A world-leading gold dividend duo

Barrick is one of those companies that may not look great from a glance at some of its stats, but it quickly becomes a solid gold buy once you know its story. It's already been established that buying gold stocks is a strong play for a bear market.

Paying a low dividend yield of 0.87%, but with a payout ratio of just 23%, there's plenty of room to grow in terms of passive income. As a buy-and-hold pick, **Barrick** could come through with beefier dividends in the long term. This is the kind of stock a risk-averse investor could buy once at a good price (currently trading at around the same per-book ratio as its peers) and forget about.

Having recently dropped "Goldcorp" from its branding and hiking its quarterly dividend by 79%, **Newmont** is a solid alternative. The gold mega miner was briefly known as Newmont Goldcorp after its significant takeover last year. Alongside Barrick, Newmont is one of the world's leading gold stocks. At a glance, investors can see that Newmont is the healthier stock, and its 2.26% yield beats a competing 0.87%.

A top Big Five buy

Cyclical and tied to consumer debt, an asset that can go bad overnight, banks aren't 100% defensive.

However, as columns of support, the economy simply cannot do without them, and even in the teeth of a vicious recession, the federal government will do everything it can to keep them operating.

Take it as read, then that **TD Bank** will still be standing after even the worst economic downturn. With a 3.9% dividend providing a moderately beefy yield and some U.S.-powered growth expected, TD Bank could reward shareholders with total returns in the 65% range over the next five years.

While its considerable exposure to the U.S. economy might make it vulnerable to a stateside recession, this access to American growth, plus the corresponding responsibility of the U.S. to protect its financial institutions in the event of a downturn, will likely strengthen rather than weaken TD Bank.

The bottom line

As uncertainty continues to spook the market, investors on either side of the Atlantic have been turning to safe havens. Gold is the number one textbook defensive asset, and packing a world-class precious metals miner such as Newmont or Barrick alongside TD Bank in a stock portfolio is a surefire way to ensure that a basket of varied passive-income companies will be able to beat even the nastiest of bear markets.

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