



1 Top TSX “Bear Market” Dividend Stock to Buy Today

Description

What beats a recession? There are a few defensive qualities a stock can possess to outlive a market downturn. A strong track record of dividend growth is great to have, but in addition to this valuable characteristic, a stock should be diversified in its business operations. It also helps if those areas of business are classically defensive: energy production, food, and accommodation all fit the bill.

Rounding up the defensive businesses on the TSX can be an absorbing task. The obvious choices are there for the taking at decent valuations, from apartment REITs to world-class Canadian utilities such as **Fortis**. There are gold mega-miners, such as the newly rebranded **Newmont**. Then there are consumer staples stocks, such as the market leading agri-input producer **Nutrien**.

But pairing potentially overlooked recessionary plays like **Park Lawn** and **Canadian Tire** has its own merits as well. In fact, this surprising duo alone covers everything from funerary and memorial services to fuel, sports equipment, homeware, apparel, real estate, and even financial services. And as the belts tighten and consumers stay home more often, online shopping and streaming could see more upside, too.

But then there are stocks that offer exposure to such a wide variety of sectors that they can almost be called [cornerstones of the economy](#) itself. One such stock is **CN Rail** ([TSX:CNR](#))([NYSE:CNI](#)), operator of a transport network so extensive that the Canadian economy would falter without it. Indeed, an investor need only look at last year's strike — and the recent protests — to see why rail transport is so integral.

With a probable dividend hike on the cards this year and the risk-averse buyer looking for only the most reliable TSX stocks, the nation's most strategically important rail operator boasts steady share price appreciation and an air-tight economic moat. Paying a dividend of 1.83% and with annual income growth of around 6% forecast, the stock is a [reassuring addition to an income portfolio](#).

The coronavirus outbreak is changing oil market forecasts and creating headwinds for a sector already struggling with middling prices. With net zero carbon targets undermining the status quo of energy production, the markets are in for a shake-up. However, there is still upside to be gleaned from

smartening up the oil sector.

This is where CN Rail's CanaPux system — a play on crude by rail — comes in. CanaPux is an initiative that lessens the impact of a crude-by-rail incident, rendering fossil fuels carried by rail transport relatively inert. The system has become increasingly popular, and is seen as a major alternative to the contentious pipelines. Indeed, investors considering selling off midstream stocks should buy CN Rail.

The bottom line

CN Rail proved just how resilient its share price is to big news events when its performance on the TSX easily took the rail strike last fall in its stride. A brief value opportunity opened up but closed within days. Therefore, would-be shareholders operating under a strict value philosophy should probably abandon a buy-the-dip strategy and snap up CN Rail shares at their current valuation.

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