



Coronavirus: 2 Canadian Stocks That Have Been Immune to COVID-19

Description

The coronavirus (COVID-19) is one of those [black swan](#) events that nobody can see coming.

The continued spread of the deadly disease has tragically claimed the lives of thousands globally. As North America faces the daunting challenge of containing the virus (there are just shy of 100,000 infections worldwide at the time of writing), many North Americans are doing their best to lower their risk of contracting the disease. That means not going out if at all possible and stocking up on supplies to sustain a potentially prolonged period of self-isolation.

It's foolish (that's a lower-case "f" folks!) to trade the coronavirus because frankly, we still don't have any idea how bad things could get or when the virus will slow down.

Some people think the spring or summertime heat will make the virus "go away," while others believe the virus is just a "severe" case of the flu. Still others believe that a vaccine is closer than we think, and a select few think we're in the early innings of a biological crisis — an epidemic that could evolve into a pandemic with dire humanitarian and [economic consequences](#).

In any case, it's only prudent to prepare for the worst while taking action to protect one's portfolio without panicking.

Some bears see the **S&P 500** crashing 40%, which is undoubtedly excessive. Still, it's theoretically possible since we have no idea what we're really up against.

As such, you're going to want to look at a class of stocks that are immune from such a disastrous disease outbreak. Bill Ackman is hedging his bets against the coronavirus, and it may be time for Canadians to do the same as we navigate through these tough times.

Consider shares of **Loblaw** ([TSX:L](#)) and **Cascades** ([TSX:CAS](#)), which are up since the vicious coronavirus-driven selloff began nearly two weeks ago.

Loblaw, a grocer, and Cascades, a tissue product producer, are some of the few green stocks in the sea of red that was the **TSX Index** over the past two weeks. While shares of both names plunged

during last week's brutal selloff, they were quick to rebound, as investors were quick to recognize that the two businesses are relatively insulated from a virus-driven downturn.

As a producer of various paper products, including tissues, toilet paper, and paper towels, Cascades has seen the demand for its line of products skyrocket recently, as supplies of bare paper necessities have been flying off shelves in the most affected areas around the globe.

Heck, in Calgary, where there aren't any confirmed infections, many locals have reportedly already begun to stock up on supplies, as many look to hibernate for the month of March.

As fear and panic grip this market, investors would be wise to buy a name like Cascades as it looks to meet what appears to be a sudden rise in demand for its products.

As one of the few consumer staples on the TSX, Loblaw finds itself in a similar predicament. Amid an outbreak, Canadian consumers will stop spending on experiences, but they'll still need food and supplies for their weekly grocery hauls, even if they desire to stay at home for as long as possible. With click-and-collect, Loblaw can help consumers avoid crowds while getting their necessities promptly.

Foolish takeaway

A toilet paper maker (Cascades) and a grocer (Loblaw) are ridiculously boring businesses. But when times get scary, boring is beautiful.

If you're one of many investors who find they're overexposed to the new slate of risks brought on by COVID-19, both CAS and L are solid bets that can help buoy your portfolio.

Stay hungry. Stay Foolish.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:CAS (Cascades Inc.)
2. TSX:L (Loblaw Companies Limited)

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1. Business Insider
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