



Consumer Staples: 2 Top TSX Stocks

Description

After the turmoil in the markets and economy the last few weeks, many Canadians are looking for investments that they can rely on, such as consumer staples.

Although a lot of the panic we have seen recently has been an overreaction, the economic reasons at the heart of the bear market remain serious and true.

The economy has been peaking for a while and has become vulnerable to a recession. So, whether or not the impact of the coronavirus is lengthy, it could be enough to tip the world into a global economy.

As the market is likely peaking, and it looks as though investors are reacting, one of the top industries to find reliable companies is the consumer staples industry.

Consumer staples are highly reliable stocks, because the companies sell items consumers will need, regardless of their income levels.

As we have seen dominate the headlines recently, [toilet paper](#) is a perfect example of a consumer staple. So, the companies selling these items in addition to food and other essentials will have much stronger resiliency in their levels of sales, as opposed to companies in other industries.

This is the gist of why these companies become so attractive to investors during uncertain economic times.

Two top consumer discretionary stocks to buy on the TSX are **Loblaw Companies** ([TSX:L](#)) and the **North West Company** ([TSX:NWC](#)).

North West Company

North West Company is a consumer staple that operates in remote communities. The communities it serves are located in Northern Canada, Western Canada, Alaska, and the Caribbean.

By owning grocery stores and supermarkets in these remote communities, North West provides these rural areas with their living essentials. This is already a great business model, but considering that in many communities it has no competition, it puts North West in a strong position.

It has strong operations in addition to vertical integration of its business to help better service its communities and increase its profitability at the same time.

North West is also a Canadian Dividend Aristocrat, known for having a stable and reliable dividend to return cash to shareholders. As of Tuesday's close, that dividend was yielding upwards of 6.3%. That's an attractive yield from a top consumer staple company.

There is nothing too sexy about North West's operations, but that's exactly why it's a reliable stock. Investors can buy the company today and forget about it. Let the company grow your money, as we move through this uncertain phase.

Loblaw

Loblaw is one of the most well-known consumer staples in Canada. The company has numerous brands to target different consumer groups across Canada. In addition, it also sells other healthcare essentials to Canadians through its Shoppers Drug Mart stores.

The company's well-known brands are some of the most trusted by Canadian consumers. In addition, its massive PC Optimum loyalty program continues to drive new customers across its multiple store banners.

Looking at the numbers, it's clear how reliable of a company [Loblaw](#) is. It continuously and consistently grows its returns each year — something all investors want to see.

Loblaw is included in the Canadian Dividend Aristocrats list. The company is known to make periodic increases to its dividend. This is great for investors, as it increases the yield and return of their investment each year.

The stock has now come down roughly 10% from its highs, giving investors a great entry point today.

Bottom line

Consumer staples will always outperform during periods of lower economic activity. These two companies present the top choices for investors to gain exposure before the economic situation gets worse.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)
2. TSX:NWC (The North West Company Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
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Date

2025/06/30

Date Created

2020/03/18

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