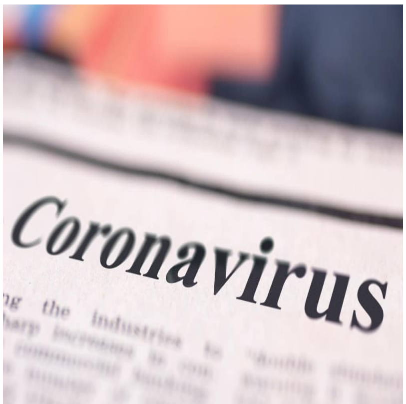


3 Top Growth Stocks With Social Distancing Built-In

**Description**

Last year saw mounting uncertainties that hinted at a downturn. This year, the downturn is already upon us and threatens to become something much nastier: a full-blown depression. Unemployment levels are rocketing and output is shrinking. So how should investors react, and what qualities should a portfolio reflect right now? It's time to break out the recession investing playbook.



## Move into "3D" investing: Dividends, defensiveness, and diversification

**BCE** (TSX:BCE)(NYSE:BCE) is a wide-moat pick in highly competitive space. However, it holds its own with a third of the wireless market share. BCE is a strong buy when it comes to social distancing. It's a play for media as well as telecom upside. The Bell Media parent company also operates content streamer Crave and licenses Showtime and HBO in Canada.

While BCE might not be a big tech stock packed with momentum, it's arguably as close as the **TSX** gets to our very own **Netflix**. The lockdown measures that have crushed other sectors certainly support digital media, however, which means that social distancing puts stocks like BCE in the spotlight. BCE has performed well amid a frothy market.

The good qualities outweigh the bad with this stock, but it does depend on one's stance toward Canadian telecom. BCE pays a 5.8% dividend yield. However, its high (98%) payout ratio leaves no room for growth and may be a point of concern.

## Consumer staples stocks are a strong choice right now

**Loblaw Companies** (TSX:L) may look a little unassuming at a glance. It's a retail stock, after all. And retail is being hit hard by the lockdown. But a business empire emerges when you stop and look at Loblaw. This deceptively defensive consumer staples name is a must-have for a diversified portfolio.

The list of brands covered by Loblaw is impressive. Joe Fresh, President's Choice, Shoppers Drug Mart and more. Even more impressive, perhaps, is its 25% share price appreciation in the last four weeks. This stock is a strong buy for the defensive income investor. Its 1.7% dividend yield and 42% payout ratio make for well-covered payments with plenty of room for growth.

Moving onto tech, we have a strong thesis for buying and holding. Tech stocks are often resilient to economic stress due to their lower overheads. Remote work is emerging as a strong play, for instance, as are e-commerce names like **Shopify**.

Shopify (TSX:SHOP)(NYSE:SHOP) doesn't pay a dividend – not yet, anyway. Right now, this name is all about defying gravity. This is the kind of stock Warren Buffett missed out on when he famously passed on **Amazon**. It's got two other strong qualities that make it a buy: defensiveness and diversification.

Its e-commerce model makes it the perfect pick for an online world. The flexibility of that model also means that Shopify's clients are strongly diversified.

Shopify is also a strong play for cannabis upside. The legal pot stock space may seem an unlikely hero during a period of extreme economic stress. However, the cannabis sector has been proving surprisingly resilient and will help bolster Shopify and supply growth.



**CATEGORY**

1. Cannabis Stocks
2. Coronavirus
3. Dividend Stocks
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**TICKERS GLOBAL**

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:L (Loblaw Companies Limited)
5. TSX:SHOP (Shopify Inc.)

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