



## Portfolio Protection: 2 Crash-Proof Stocks

### Description

During these unprecedented times, stocks are experiencing quite high levels of volatility. As such, investors are seeking out ways to add portfolio protection against another dip in the market or even a full-blown recession.

There are a few ways investors can add this type of portfolio protection. Firstly, you could move money into bonds. But those are offering quite paltry returns at the moment.

Instead, you can capture bigger yields as well as upside on your principal investment by going with defensive stocks. These are stocks that operate in sectors like utilities or consumer staples.

Today, we'll look at two defensive TSX stocks that can provide portfolio protection to investors during these uncertain times.

### Loblaw

**Loblaw** ([TSX:L](#)) is a major Canadian grocer and, in fact, the largest in the country. It also provides pharmaceutical services both in its grocery stores and through its Shoppers Drug Mart chain of stores.

The reason that Loblaw can be so stable in a rocky economy is rather simple. It provides Canadians with bare essentials like food and medication. No matter how rough the economy gets, people will need to keep stocking their cupboards.

Since I wrote about Loblaw's [defensive attributes](#), the stock has been trading slightly up. Over the same period, the S&P/TSX composite index is slightly down.

So, it seems that investors are putting trust into Loblaw and its ability to add portfolio protection with stable earnings during these times.

As far as yields go, Loblaw's offering isn't exactly mouth-watering. However, its 1.79% yield still beats out bond yields and can keep cash flowing a little bit for investors.

The main draw for investors isn't the yield anyway, it's in the portfolio protection that Loblaw offers and the fact this stock can rise steadily as markets fall.

## Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a major utility company operating across North America. It mainly focuses on providing customers with electricity.

While its [recent earnings](#) were a little low, it wasn't anything out of the ordinary, and Fortis remains on track with its dividend.

In fact, this company has a 46-year streak of maintaining and growing its dividend. In the recent earnings report, the company reiterated its commitment to raise dividends annually through 2024.

For those seeking portfolio protection, Fortis is one of the best picks. Like with groceries, people will always need to keep the lights on. As such, revenue for Fortis should remain rather predictable.

However, unlike with Loblaw, investors can count on a significant yield with Fortis. As of writing, this stock is trading at \$53.08 and yielding 3.6%.

If you're looking for a reliable stream of cash flow during these times, Fortis is the way to go.

## Portfolio protection strategy

Any way you slice it, both of these stocks are solid picks for adding portfolio protection. Loblaw has the added benefit that it seems to be moving opposite of the market, while Fortis has the much larger dividend yield.

As such, depending on your needs as an investor, either one of these stocks (or both) could be a good fit for your portfolio during these times. If you're looking to pick up some extra portfolio protection, keep these stocks at the top of your list.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:L (Loblaw Companies Limited)

### PARTNER-FEEDS

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