



TSX Stocks: 3 Assets to Hold During 2020

Description

In this day and age, you may be wondering what the best asset or **TSX** stock to invest in is. There is a tonne of uncertainty and no guarantees when putting your money in the stock market today.

Despite a market rally in the last few weeks, there is nothing to stop the market from selling off once again.

And when you consider that nobody knows how much our economy will be affected and the duration of the effects, it makes long-term investing extremely difficult, because you don't know if companies will be around, even in a few years.

Investing today requires a lot of discipline, diversification, and patience. Investors need to be forward-looking and only invest in businesses that have clarity on the impact of coronavirus.

These are the three assets I'd recommend investors consider holding today.

Defensive TSX stocks

The first assets to buy today are defensive equities. It's crucial that investors have exposure to defensive stocks to increase the stability of their portfolio.

There are still plenty of unknowns — unknowns about the state of the economy, the businesses that will be affected, how badly they will be affected, and for how long.

So, to mitigate risk, investors can buy a stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), one of the top utilities on the market.

Almost all of its revenue is regulated, it operates in numerous jurisdictions, and the company has a long runway for growth.

Because revenues are so stable, and the company has a long history of increasing the dividend, utility

stocks like Fortis are attractive for investors looking for an investment today.

Plus, with bond yields so low, there are natural catalysts for all utility stocks to outperform in the short run. The dividend, which yields roughly 3.8%, is highly attractive for income seekers.

The number one reason to buy the TSX utility stock, though, is for defence. Owning a business like [Fortis](#) that will continue to perform well and generate income to pay the dividend, regardless of the state of the economy, is vital.

Gold TSX stocks

Another option for investors is to buy gold equities. TSX gold stocks are already a safe-haven asset naturally. Even in a typical environment, gold would be a top investment.

However, in our current environment, with interest rates near zero, and with governments all over the world printing vast sums of money, there are huge catalysts for gold prices to skyrocket.

So, naturally, gold stocks like **Kirkland Lake Gold**, which are leveraged to the price of gold, will see a significant increase to the share price.

So far this year, [Kirkland Lake](#) has underperformed much of the gold industry, despite its low-cost structure. This could lead to big gains for the rest of the year for investors who are buying undervalued TSX gold stocks like Kirkland today.

Cash

Sometimes the best investment isn't TSX stocks; it's cash. While this usually isn't the case, as markets are crashing, cash is the one asset that's gaining in value.

Keeping a small cash position is always important. This way, if any high-quality opportunities are present, you are ready to act quickly.

Cash is always something you want to have a small position in. However, as the market becomes more overvalued, investors may think about keeping a higher cash position.

And that cash position can be used to help you buy TSX stocks or even as an emergency fund, which, as we've all been reminded, is so important to have.

Bottom line

These are highly uncertain times we are living in, so investors need to be ready for anything. The most important thing in the near term is protecting your portfolio from losses.

Make sure to have a quality defensive stocks in your portfolio as well as a decent cash position. Doing that will help you weather this economic storm tremendously.

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