



2 TSX Stocks for Growth and Stability

Description

In today's investing environment, when looking at **TSX** stocks to buy, it's all about building the most resilient portfolio possible. The only problem is, in investing, generally the less risk you take on, the less reward is available on your investment.

So, investors must build up a robust portfolio to protect capital without sacrificing too much growth potential.

Too little stability and defence, and your portfolio could be vulnerable to a market crash. However, too much defence, and you could miss out on significant gains as the market rallies.

This makes the goal of investors today to find TSX stocks that will remain robust through short-term headwinds as well as offer superior long-term growth potential.

The two top TSX stocks I would recommend would be **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)) and **Park Lawn** ([TSX:PLC](#)).

TSX infrastructure stock

Brookfield Infrastructure is one of the best-positioned stocks on the TSX. Not only can investors expect major growth from it over the long term; after all, it is a [Brookfield](#) business. However, in addition to the growth, the nature of the businesses it owns gives the company significant stability.

The company has four main operating segments. Three of which, utilities, energy, and data infrastructure, have proven to be highly resilient. Its transportation segment, which makes up about 30% of Brookfield's funds from operations (FFO), is the one that's been most affected.

What's important to note, however, is that this isn't an average recessionary period. Although its transportation business has declined, much of that is due to stay-at-home orders and lockdowns limiting transportation.

Brookfield's business is so well diversified across industries and countries that it's bound to see some exposure to its businesses now and then, whether it be impacted by industry or currency risk in different countries.

However, these individual risks are offset by the consolidation of the high-quality investments that make up its diversified portfolio. The wide diversification of its high-quality businesses makes the stock extremely robust.

Going forward, investors can count on the business to stay resilient in the short term. At the same time, management will be using this opportunity to search the globe in hopes of finding any high-potential investments it can take advantage of in this buyers' market.

TSX death-care stock

Park Lawn, the other high-quality TSX stock to buy today, operates in the death-care industry. It owns and operates cemeteries and funeral homes across Canada and the United States.

Death care is an extremely important business. It's also a highly defensive business. That, however, doesn't make stocks like [Park Lawn](#) entirely immune to impacts from coronavirus.

Restrictions on funeral sizes have had an impact on Park Lawn, as it earns less revenue per funeral. Besides those temporary restrictions and some other small negative impacts, the company has been relatively unaffected from severe negative impacts brought on by the pandemic.

At most, it looks like the company will see only a 15% impact on its revenue during the height of the lockdowns.

Nonetheless, management has taken the prudent steps to increase liquidity to help shore up financial flexibility.

Going forward, as the economy starts to open up, Park Lawn can continue its aggressive growth strategy both organically and through acquisitions.

Until now, though, most TSX growth stocks have underperformed more defensive industries such as utilities and consumer staples.

While I expect this trend to continue, Park Lawn's naturally defensive business should warrant the stock a much higher valuation from here.

Bottom line

These two top TSX stocks both have considerable room for growth. However, more importantly, in our current environment, both stocks operate in highly defensive industries.

This is key, as it will allow the companies to remain robust in the short term while protecting shareholders' capital. Stocks like these won't remain cheap forever, though, so don't wait too long and risk missing these incredible discounts altogether.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
3. TSX:PLC (Park Lawn Corporation)

PARTNER-FEEDS

1. Business Insider
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