# 2 Top TSX Stock to Buy Amid Uncertainty

## Description

Investors have witnessed large market swings in the past three months. The **S&P/TSX Composite Index** nosedived in March. Since then it has bounced back sharply, recovering most of its losses. Despite the recovery, uncertainty surrounding the economy on account of COVID-19 outbreak indicates that high volatility will be the part of the market in 2020.



Amid such a scenario, investing in stocks that offer protection as well as long-term growth is what investors could do. Here are the top two **TSX** stocks that I would prefer to buy amid uncertainty.

## Metro

**Metro** (TSX:MRU) runs a recession-resilient business and is less susceptible to the large market swings as compared to other stocks. The company operates food and pharmacy stores, both of which continue to witness stable demand irrespective of the state of the economy.

In the most recent quarter, Metro's top-line jumped 7.8%, reflecting stellar performance across food and pharmacy business. Meanwhile, its bottom line remained strong with marked growth of about 18%.

Barring short-term challenges from the COVID-19 outbreak, Metro remains well positioned to benefit from stable demand, diversified business, and its ability to invest in growth measures, including new store openings, supply-chain, and online grocery shopping services.

Besides, Metro stock has a low beta of 0.17, which indicates that rising volatility in the market will not have much of an impact on it. Metro stock stood firm during the recent stock market crash and has outperformed the broader markets by a healthy margin so far this year.

Investors should note that Metro is also a Dividend Aristocrat, and has consistently increased its dividends for 26 years. Earlier this year, Metro raised its quarterly dividend by 12.5%.

Metro's defensive business, strong same-store sales, investments in e-commerce, and consistent dividend growth makes it an attractive investment option amid volatility.

## Alimentation Couche-Tard

**Alimentation Couche-Tard** (TSX:ATD.B) is the best defensive play that can help investors to tide over the volatility in the market. Couche-Tard has performed exceptionally well over the last several years, thanks to its strong network of stores, strength in its underlying business, and series of profitable acquisitions.

While Alimentation Couche-Tard's low yield might not attract you, but investors should note that the company is a Dividend Aristocrat. Alimentation Couche-Tard's dividends have grown at a CAGR of 28% since 2011. Moreover, it recently increased its dividends by 12%.

As people stay indoors and order online, the company scaled up its e-commerce offerings to meet consumer demand. Alimentation Couche-Tard is offering home delivery through more than 620 stores. Besides, it is also offering curbside pickup.

The continued momentum in its underlying business will support its cash flows and future payouts. Meanwhile, its strong balance sheet positions it well to drive growth through strategic acquisitions.

Shares of Alimentation Couche-Tard also have a low beta of 0.71, which implies that the large market swings will not heavily impact it.



Couche-Tard's recession-proof business, extensive stores network, solid fundamentals, and the ability to acquire fast-growing businesses makes it a must-have stock in your portfolio.

**CATEGORY**

1. Coronavirus
2. Dividend Stocks

**TICKERS GLOBAL**

1. TSX:MRU (Metro Inc.)

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**Date**
2025/09/04
**Date Created**
2020/06/03
**Author**
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