



Market Crash: 2 TSX Stocks to Protect Your Money

Description

There is no doubt that there will be another market crash with **TSX** stocks. Whether last week was the start of the next market crash, or whether it was just a blip, and the market will continue to rally.

Nobody really knows when the market will crash again; all we know is that it's likely to happen soon.

Investors must be ready for some significant volatility. Furthermore, you not only have to position your portfolio for a market crash but also to survive a prolonged recession.

There's no telling how long the coronavirus pandemic may last. Nor is there any indication of how bad the economic consequences will be and how long they will persist.

So, investors need to have a resilient portfolio consisting of strong stocks that can handle market volatility with underlying businesses that will be minimally impacted by an economic slowdown.

Here are two of the top TSX stocks to protect your money in a market crash.

TSX telecom stock for a market crash

Some of the best stocks to rely on through a recession are big blue-chip stocks in defensive industries, like **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

BCE is especially attractive, because it's the largest telecom stock on the TSX and has significant competitive advantages.

The company is so big and well capitalized that, unlike almost every other stock, management has decided not to temporarily suspend capital expenditures for growth projects.

This is significant, because it shows not only BCE's impressive strength; it's also a huge advantage that it won't have to delay any growth projects.

Another attractive feature of a big reliable blue-chip stock like BCE is its dividend. The company has

one of the most reliable dividends on the TSX. Plus, it yields an attractive 5.8%.

Its highly stable cash flow and impressive yield is what makes it one of the top Dividend Aristocrat stocks on the TSX.

Not to mention, the stock can protect you from the volatility of the market. Last Thursday, as the TSX declined by more than 4.1%, BCE was only down 2.5%.

BCE's strong operations, stable cash flow, and ability to withstand volatility all combine to make it a perfect stock for [any portfolio](#), especially ahead of a market crash.

Consumer staple TSX stock

Another great defensive option to consider ahead of a market crash would be a consumer staple stock, and, without question, one of the best on the TSX is **Dollarama** ([TSX:DOL](#)).

[Dollarama](#) has long been a top stock on the TSX. The company has benefited from a major shift in consumer behaviour over the last decade.

During the last recession, consumers facing constrained incomes increased their discretionary income by cutting down some of their costs while buying their essential goods. Consumers did this by utilizing Dollarama and the inferior merchandise it offers as substitutes.

However, after the recession ended, consumers generally stuck with this habit, and the new consumer trend exploded with popularity, with Dollarama's business growing along with it.

Dollarama's highly defensive business model is what makes it such a great stock and the number one reason you can count on it in today's environment.

Plus, Dollarama continues to be committed to growth; it is now invested in Dollar City, a Latin American dollar store chain.

The stock managed to post strong sales, and free cash flow generation in its most recent quarter, despite up to 10% of its stores being closed due to the coronavirus.

It's clear Dollarama's defensive attributes make it a very strong holding and, in fact, a top long-term growth stock on the TSX that will continue to protect investors' capital.

Even last Thursday, as the market declined 4.1%, Dollarama held strong, losing just 2.2% of its value. This is a perfect example of the protection it can offer in a market crash.

Bottom line

With the likelihood of another market crash growing considerably, investors should consider these and other defensive TSX stocks to protect their hard-earned capital and position it for the recovery that follows.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:DOL (Dollarama Inc.)

PARTNER-FEEDS

1. Business Insider
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Date

2025/08/24

Date Created

2020/06/16

Author

danieldacosta

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