Market Crash Defense: 2 TSX Stocks to Buy

Description

While stocks have recovered since hitting lows in March, the door is still open for another market crash . The market volatility is certainly there, and there hasn't been a glut of good news for economies around the globe.

Now, for a long-term investor who's looking at a very long investment timeline, this shouldn't be too worrisome. In fact, any significantly lower prices simply represent opportunities to lock-in long-term gains.

However, investors looking to shield their investments in the short run might need to try and defend against a market crash by positioning their portfolios with stable defensive stocks.

Today, we'll look at two such stocks that are poised to deliver results – even during an economic slowdown.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a large electric utility company based in Newfoundland and Labrador. It serves many customers across the U.S. and Canada, as well as the Caribbean and some areas of Central America.

Fortis has long been a staple pick when it comes to steady and reliable dividend investing. This is in large part due to the fact its revenue is so steady and predictable.

Since Fortis draws nearly all its revenue from regulated contracts, its income is rarely in question, which makes it such a great pick to defend against a market crash, as it can continue to perform even through economic challenges.

At the end of the day, people will still be using utilities and Fortis is still in a strong position to provide those services. Its stability and resilience to market forces is highlighted by its beta of 0.06.

As of this writing, Fortis is trading at $52.03 and yielding 3.68%. Thus, not only can investors turn to Fortis for safety against wild market movements, but they can also collect a very reasonable dividend while doing so.

Loblaw

Loblaw (TSX:L) is Canada's largest grocer, operating retail locations under various banners and segments. It also operates the Shoppers Drug Mart chain of pharmacy locations.

The reason that Loblaw can help protect against a market crash is simple. No matter how dire the economic outlook might be, people still need the essentials. People still need to stock their shelves with food and other household items.

So, you can expect Loblaw to continue to post decent numbers and deliver results to its investors.

In fact, in the most recent earnings report, Loblaw announced a 10.7% increase in quarterly revenue and a 24.4% increase in adjusted earnings per share. The company stated it saw a massive uptick in the purchase of essentials during this quarter.

As of writing, Loblaw is trading at $66.13 and yielding 1.91%. So, investors can still get a respectable yield while holding Loblaw stock on top of market protection.

Market crash defense

For investors who are worried about short-term unrest in the market, there are some top **TSX** stocks that can provide protection.

Fortis and Loblaw are both solid picks to weather out a market crash as both have shown great resiliency during economic uncertainty.

Now, over the long run, these stocks aren't likely to out-perform high-dividend paying blue-chip stocks. However, if portfolio protection is what you're after, make sure to give Fortis and Loblaw a good look.

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

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Date
2025/08/24
Date Created
2020/06/17
Author
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