



Buy Alert: Pick up These 3 Defensive Stocks Before It's Too Late

Description

Now is the time to get your defensive stocks. Another market crash is coming as we are still yet to see the worst of the economic impact from the first wave.

There's also considerable uncertainty about what's going to happen when the second wave hits in the fall. Also, more recently, a second peak of the first wave has seen case counts snowballing in parts of the United States.

This all spells trouble on the horizon. And although it's impossible to time the market and predict a market crash, I think most investors expect another one to happen soon.

So this may be the last chance to ditch your high-risk **TSX** stocks. This way, you can raise some cash and allocate the rest of your funds to defensive stocks that are less volatile.

Here are three top defensive stocks to buy today.

TSX utility

Utilities are great stocks to own because of the inelastic demand for their services and the regulated nature of their revenue.

One of the best utility stocks on the TSX to buy today is **Hydro One Ltd** ([TSX:H](#)).

Hydro One owns electrical transmission and distribution assets across Ontario. The company is not only a great defensive business for investors, but will also grow organically. As the province of Ontario continues to grow, so too will the demand for its services.

The company has even affirmed its guidance for the next few years. So it looks as though coronavirus won't have a meaningful enough impact to delay its growth expectations.

Plus, Hydro One's stock currently has an impressive 4% yield making it a great [dividend stock](#) to own,

in addition to protecting your capital.

Consumer defensive stock

Another option for investors to consider are consumer defensive stocks. One of the most attractive consumer defensive stocks on the TSX today is **North West Company Inc** ([TSX:NWC](#)).

Consumer staples are great defensive stocks because most of the products they sell will have inelastic demand, regardless of income levels. This basically means that whether or not a recession hits, people still need to buy food and toilet paper.

North West is attractive because it delivers its services in remote communities where it has major logistical advantages.

The work that management has done to strengthen the business and lower costs is finally paying off. This has seen the stock skyrocket by nearly 100% from the bottom in March.

Furthermore, you will be hard-pressed to find a consumer staple with a dividend as attractive as North West's 4.3% yield. This only adds to the reasons investors should be buying this top stock today.

Defensive telecom stock

The last stock to consider is **BCE Inc** ([TSX:BCE](#))([NYSE:BCE](#)). BCE can be considered a defensive stock because of its industry, and the major resiliency of its operations.

The company is seeing a slight impact from the pandemic. However, for the most part, it's going to be business as usual for BCE.

The impacts have caused management to withdraw guidance for the year. However, long-term investors are looking past impacts on the business in the short term. What investors are most looking for is a long-term indication of how the company will do.

And given that BCE is one of the only companies that hasn't suspended its growth investments, the future looks bright for Canada's largest telecom.

The dividend is also a major feature of Enbridge's defensive qualities. Investors can count on the stock to continue to grow the dividend. After all, BCE is one of the top dividend aristocrats on the TSX. Today, its dividend is yielding roughly 5.9%.

Plus, on top of all the defensive features that BCE brings to a portfolio, it also offers huge long-term growth potential with the [introduction of 5G](#).

Bottom line

Investors still have time to buy defensive stocks and stabilize your portfolio. However, time could soon be running out with rapidly rising case counts.

So make sure your portfolio is as stable as can be. It may end up getting tested very soon.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:H (Hydro One Limited)
4. TSX:NWC (The North West Company Inc.)

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Author

danieldacosta

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