Have $1,000? 3 Stocks to Buy in a Correction

Description

In late April, the **S&P/TSX Composite Index** was still in the first weeks of its rebound from a sharp correction to kick off the spring. At the time, I'd suggested that investors should still target defensive dividend stocks. The TSX index shed 270 points to close out the week on June 26. For investors who have the cash to spend, today I want to look at three stocks to scoop up in response to volatility.

Another correction? Why you can still rely on grocery stocks

Investors should not resign themselves to a correction this summer. However, it never hurts to be prepared. Grocery retailers were stars during the COVID-19 pandemic, both in the real world and in financial markets. **Empire Company** (TSX:EMP.A) is one of the largest food retailers in Canada. Its shares have climbed 7.9% in 2020 as of close on June 26.

The company released its fourth-quarter and full-year fiscal 2020 results on June 18. Same-store sales, excluding fuel, increased 18% year over year, and earnings per share rose to $0.66 compared to $0.45 in Q4 FY 2019. Moreover, Empire surpassed its Project Sunrise three-year turnaround targets. This food retailer looks strong entering its next fiscal year.

In its report, Empire declared a quarterly dividend of $0.13 per share. This represents a modest 1.6% yield. Empire has delivered dividend growth for 25 consecutive years. Investors worried about a correction should look to this promising stock.

Another man's trash…

Waste Connections (TSX:WCN)(NYSE:WCN) is an Ontario-based company that provides waste collection, transfer, disposal, and recycling services in the United States and Canada. This is another essential service that has been crucial in this crisis. Shares of Waste Connections have increased 5.5% in 2020 so far. The company released its first-quarter 2020 results on May 6.

Revenue at the company climbed 8.7% year over year to $1.35 billion in Q1 2020. Moreover, it posted a 5.2% increase in price and volume growth. Adjusted EBITDA came in at $408.5 million — 30.2% of revenue. Waste Connections had a very strong start to the year, which was partially derailed by the COVID-19 pandemic. Regardless, Waste Connections is well positioned to weather these difficult times.

The company has put together impressive earnings growth in recent years. Waste Connections last announced a quarterly dividend of $0.185 per share, which represents a minor 0.8% yield. Still, this is a reliable stock to hold in a potential correction.

One stock to stash for the long term

This pandemic has taken a significant toll on the psyche of Canadians and many around the world. As we hope for a return to normalcy, we can expect a rise in health conscientiousness in the average citizen. This will provide a boost to **Jamieson Wellness**, a company that was already thriving on the back of demographic trends.

Jamieson announced that demand for its nutrition and supplements products surged starting in March 2020. The stock has climbed 34% in 2020 as of close on June 26. This stock is worth holding in this unique climate, and it is even more promising in the long term.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. TSX:EMP.A (Empire Company Limited)
3. TSX:WCN (Waste Connections)

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