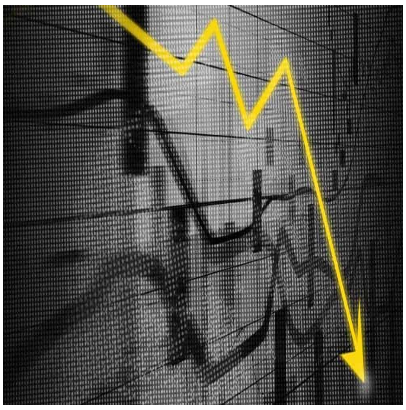

2 Top TSX Stocks to Buy During the Next Market Crash

Description

On the surface, a 10% decline year to date in the Canadian market doesn't seem too bad. If you're comparing it to last year's performance, it doesn't look great, but considering the volatility we've seen this year, I'd say we're fortunate to only be down 10%.

The **S&P/TSX Composite Index** has already crashed once this year, and investors are now questioning if we're close to another one. The market dropped by more than 35% in just over one month earlier this year, which was a record-setting decline. Add that to the fact that the world was just learning about the effects of the COVID-19 virus. It was a stressful time for many people, investors included.

Since that dreadful decline earlier this year, the market has run up by more than 30%. But with cases of COVID-19 beginning to peak again in some parts of the world, could we be looking at another market drop?

Hopefully, we don't witness another 35% drop in just one month. But if we do, I've reviewed two top TSX stocks that I'll seriously consider adding if the market begins to plummet once again.

Waste Connections

This $30 billion company is in the business of providing waste collection, transfer, disposal, and recycling services. **Waste Connections** (TSX:WCN)(NYSE:WCN) has customers in both Canada and the U.S.

Typically viewed as more of a defensive stock, Waste Connections owns an impressive track record that even growth investors can get excited about. The waste management company has outperformed the Canadian market in the past three, five, and 10 years.

Waste Connections mainly focuses on targeting secondary and rural markets, avoiding the more competitive urban areas. This strategy allows the company to dominate the markets it competes in, providing an early-mover advantage which helps drive up market share.

The company has also turned to acquisitions to help accelerate revenue growth. Since 2017, the company has made more than 50 acquisitions, averaging more than 15 per year in that time span. In 2019, the company spent more than $800 million on 21 acquisitions, most of which were paid for in cash.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is another company that is often labelled as a defensive stock but has a strong track record of outperforming the Canadian market. The $25 billion company is an electric and gas utility provider to customers in the U.S., Canada, and the Caribbean countries.

During recessions, consumers normally will look to their budgets to see which expenses should get cut first. The utility bill is not the first bill that consumers will look to to cut. Because of that, Fortis has a strong reputation of being a top defensive stock for Canadian investors to own in a market crash.

Fortis also boasts a very reliable dividend that investors can count on during an economic downturn.

The dividend pays an annual payout of $1.91 per share, which is equivalent to a yield of 3.7% at today's stock price.

The company has an extremely impressive dividend-growth streak of more than 45 years. Management has a plan to continue increasing the dividend for at least another five years. During that five-year span, the dividend is expected to grow at an annual rate of 6%.

Foolish bottom line

Whether or not we're headed for another market crash, these are two top TSX stocks that deserve serious attention for any Canadian portfolio. Both companies may be labelled as defensive stocks, but that's mainly due to the industry that they each respectively work in.

If you're looking for a company to not only hold up well during a recession but also outperform the returns of the Canadian market over the long term, these are two stocks you'll want to have a look at today.

CATEGORY

1. Coronavirus
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1. defensive stocks
2. top tsx stocks

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2. NYSE:WCN (Waste Connections)
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