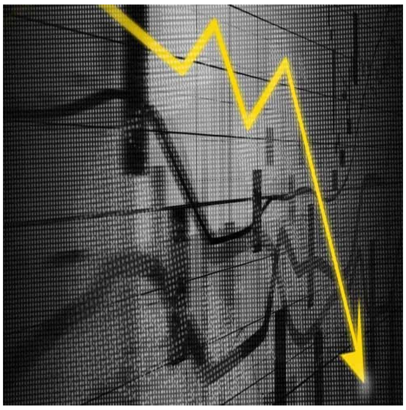

Market Crash: 3 Stocks to Help You Prepare

Description

Since the market crash in March, stocks have recovered slightly and traded mostly sideways since June. It's clear the market is still wary of the economic repercussions of the global pandemic.

However, even the current stagnation seems to understate the severity of the economic fallout both happening now and to come. We're a ways away from a full re-opening of the economy as well as the creation and distribution of a vaccine.

Plus, there continues to be trade tensions and social unrest around the globe. For the short-term economic picture, the outlook is bleak.

Now, we've seen in the past that the stock market can stay disconnected from the economy for extended periods of time, and the market itself is very often irrational.

However, banking on these issues having no effect on the stock market again sometime this year is playing with fire. Another market crash should definitely be a possibility that investors are considering.

For long-term investors, short-term turbulence isn't too meaningful, and often just makes for another buying opportunity. But, investors with slightly shorter horizons should prepare themselves for a market crash and protect their portfolio.

Today, we'll look at three TSX stocks that can help defend your investments against a market crash.

Loblaw

Loblaw (TSX:L) is Canada's premier grocery provider. On top of household essentials, it offers pharmaceutical services in stores as well as through its Shoppers Drug Mart brand.

As far as a stock that can buck the trend of the market, Loblaw is about as good as you can get. It recently announced year-over-year quarterly revenue growth of 10.7% during a market crash period in which many stocks posted negative results in the double digits.

As such, it's one of the few big-name TSX stocks to be up year to date on its share price. As of this writing, Loblaw is trading at $69.36.

It's not terribly difficult to see why Loblaw has been performing well. No matter how dire the economic conditions, Canadians will need to keep their cupboards stocked with food, medicine, and other essentials.

Investors can look for Loblaw to continue its strong results, even as the economy struggles in the near future. In the event of a market crash, investors can bank on Loblaw's stability and reliability to shield them.

Choice

Choice Properties REIT (TSX:CHP.UN) is one of the top retail REITs on the TSX. While the label of retail may sound scary to some at the moment, it's actually quite a defensive REIT given the current conditions.

This is due to its strategic relationship with the aforementioned grocery powerhouse Loblaw. Choice's retail properties are nearly all anchored by the grocery giant, and, as such, the REIT's rental income has been reliable and steady.

This REIT has fared far better than most of its peers through the market crash and still sports a 5.68% yield and payout ratio of only 30.48% as of this writing. For investors looking to go defensive without giving up too much passive income, this REIT could be the right play.

Market crash defense: Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a massive electric utility distributor across North and Central America. It has a longstanding record for maintaining and growing the yield it pays to investors.

Since the vast majority of Fortis's distribution routes are on regulated contracts, this defensive stalwart's income is predictable and dependable.

Its resiliency to market forces is highlighted by its beta of merely 0.05. This means the stock will be highly resistant to wild swings in the market.

Plus, the stock is essentially back to where it started the year at with a price of $53.50 as of this writing.

Fortis's dividend yield of 3.57% makes it an attractive play for defensive investors looking to still cash in on some passive income.

Market crash plan

With so much global economic uncertainty, it would be wise to factor in a potential near-term market crash into any investing plan.

Loblaw, Choice, and Fortis all offer investors resistance to market forces while still providing some dividend income as well.

If you're looking to add to a market crash plan, these three names should be on your list.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:FTS (Fortis Inc.)
4. TSX:L (Loblaw Companies Limited)

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