4 Top Defensive Growth Stocks to Buy in 2020

Description

Uncertainty is mounting once more as the market begins to align more realistically with the economy itself. The reasons behind this range from the complex to the straightforward. From the intricacies of a U.S. election to the rise in coronavirus infections, investors are being handed a slew of reasons to get defensive. Luckily, though, there are still several strong options for the strictly low-risk **TSX** investor in the current market.

Going for gold is still a strong move

Four larger cap gold stocks really stand out at the moment. These are **Barrick Gold**, **Franco-Nevada**, **Newmont**, and **Kirkland Lake Gold**. Barrick is an excellent play for both value and balance sheet health. Franco-Nevada is potentially a stronger play in terms of outlook, though, with around 40% in annual earnings growth estimated. Its balance sheet is also seamless (no pun intended), and it has a solid growth record under its belt.

Newmont offers a strong all-round play with balance sheet health, decent market ratios, and a solid track record. All four stocks are also dividend payers. This means that the casual Canadian investor seeking one-stop stocks are in luck. For an easy-sleeping blend of passive income, growth, value, and years of safe-haven risk lowering, this stocks are ideal picks.

Of these, the strongest play for an overall mix of health, value, and dividends is arguably Newmont. While Kirkland matches value, health, and track record characteristics, Newmont boasts a 1.45% dividend yield at its current valuation. This makes it one of the richer-yielding picks of its cohort. Franco-Nevada wins on outlook, though.

Infrastructure stocks are increasingly defensive plays

From supply chain management to utilities, infrastructure has become one of the strongest zones of defense during the pandemic. While consumer staples and regulated utilities have always stood as defensive asset types, COVID-19 has highlighted other areas more often relegated to the background.

These include waste management, supply automation software, and cargo-only flight networks.

Investors seeking a mix of growth and stability in the current market have a strong pick in **GFL Environmental** (TSX:GLF)(NYSE:GFL). GFL has been displaying positive price generation almost since the get-go.

A freshly listed stock, this IPO has been keenly watched for its potent combo of a defensive qualities and a wide-moat business. With a strong growth thesis in terms of market penetration, GFL is also looking at steady share price appreciation.

As far as growth investors should be concerned, GFL is not just in the waste management business. Already the fourth-largest North American business of its kind, GFL is also in the expansion business. Its real-world operations are nicely diversified and strongly defensive. These include both solid and liquid waste management, as well as infrastructure.

This latter capacity also makes GFL a reduced-exposure play for the construction industry. All of the above – especially its diversified, wide-moat standing – make for a safe-haven pick imbued with growth.

Investors should consider pairing GFL with a large-cap gold dividend stock – especially Franco-Nevada, with its glittering outlook – for some strong growth potential.

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