



## Market Crash: 3 Defensive Gems to Buy

### Description

Given recent uncertainty in the market, another market crash is certainly feasible. The market tends to be forward looking, and if the economy doesn't recover like the market is predicting, there could be a drop-off ahead.

Now, investors focused on the really long term might not be overly bothered by this. In fact, market crashes are the best times to buy in for long-term investing.

However, investors focused on the medium or short term must tread more carefully. In these cases, going with a more [defensive approach](#) can help shield a portfolio against short-term risks.

When looking for defensive stocks to protect against a market crash, reliability and consistency are key. Today, we'll look at three defensive gems that investors can count on.

### Choice Properties

**Choice Properties REIT** ([TSX:CHP.UN](#)) is a major Canadian REIT specializing in retail properties. As of this writing, it's trading at \$12.89 and has a market cap of \$4.21 billion.

Now, usually a retail-oriented REIT wouldn't really be anyone's idea of a defensive stalwart. However, Choice is a little different, as it has a strong strategic relationship with grocery giant **Loblaw**.

Given the stable nature of Loblaw's business, Choice has been able to provide solid results in recent months — a period in which many REITs suffered. Its payout ratio sits at 71.59%, and its quarterly revenue growth hasn't suffered in the same way as its peers'.

With a yield of 5.74% as of this writing, investors can scoop up a high-yielding REIT that has great defensive qualities due to its connection with Loblaw.

Of course, it's still a retail-based REIT, and that comes with its own risks. However, if you're looking to add a super-high-yielding defensive stock to the market crash defensive mix, Choice is a great option.

## Canadian Utilities

**Canadian Utilities** ([TSX:CU](#)) is a large Canadian energy distribution and infrastructure company. It operates a range of segments and subsidiaries in the space.

CU is such a solid defensive pick because of the predictable nature of its earnings. Revenues are largely generated from regulated contracts, and, as such, cash flow is very reliable.

Plus, this market crash protector has an [outstanding record](#) for increasing its dividend, having done so every single year since 1972. As of this writing, CU is yielding 5.22% and trading at \$33.34.

Given the fact its payout ratio is at a very comfortable level, I wouldn't bet on that dividend drying up any time soon either. So, investors can lock in a great yield with a dependable defensive gem with CU.

## Market crash star: Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a massive and well-diversified electric utility holding company. It serves customers across the Caribbean and North America.

Like with CU, FTS generates nearly all its revenue from regulated agreements; as such, its earnings are very dependable. This helps it maintain its healthy dividend to investors, which sits at 3.61% as of this writing.

Given the nature of Fortis's dealings, it should be no surprise that the stock itself has performed well recently. The fact its services are non-cyclical and essential mean that it's continued to post solid results.

In fact, the company is only down about 1% on the year as of this writing, and it has a beta of only 0.08. This means you can expect FTS to resist the forces of a market crash and hold its value through tough times.

While its dividend is a little lighter than the ones mentioned above, FTS has nearly unparalleled stability and reliability.

## Market crash strategy

Each of these stocks can offer protection through a market crash while still paying investors a nice yield. Fortis tends to resist the momentum of the market the most of these three but also pays the lowest yield.

If you're looking for a defensive stock to hold for the time being, be sure to give these market crash protectors strong consideration.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:CHP.UN (Choice Properties Real Estate Investment Trust)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:FTS (Fortis Inc.)

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