



## 3 Recession-Resistant Stocks to Buy and Hold

### Description

Because the economy is in a recession, and the stock market is trading near an all-time high, investors cannot be too careful about the stocks they invest in.

Here are three recession-resistant stocks that you can consider buying and holding through thick and thin. Specifically, I chose quality stocks from three very different sectors — [utility](#), [tech](#), and [gold](#). Utilities are defensive. Tech offers growth. Gold provides protection.

### Fortis stock

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stock has been very resilient in this recession. The defensive stock has only declined about 3% from a year ago.

The regulated nature of Fortis's operations makes its earnings highly reliable. Despite operating in a recession, the utility still managed to keep its earnings fairly steady. In the first half of the year, Fortis stock's earnings per share only declined about 4% against the prior year's period.

It's no small feat to maintain a dividend-growth streak of more than 40 years through economic cycles and multiple recessions. But Fortis stock has achieved exactly that.

With a payout ratio of roughly 73% this year, Fortis's 3.6% yield is rock solid. Many conservative investors hold the stock for its safe and growing dividend.

### Open Text stock

**Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) stock has performed even better due to the growth nature of its industry. The tech stock has climbed roughly 14% from a year ago. It is well positioned for further growth, as the information management space it operates in is a growing pie.

One of Open Text's recent wins is the U.S. National Institutes of Health choosing its platform for

enterprise information management, specifically for electronic document management and document workflows, which will improve internal processes and records management, among other things.

The average 12-month analyst price target is 16% higher from current levels. So, the stock is reasonably priced. Other than price appreciation, investors also get an increasing dividend. The stock offers an initial yield of about 1.6%.

## Barrick Gold stock

**Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) stock is the best performer of the three with price appreciation of approximately 59% from a year ago. The gold stock even got a stamp of approval from Warren Buffett's **Berkshire Hathaway**, which started a position in the stock last quarter. This suggests that there's more runway for gold stocks, despite the gold rally since 2019.

Central banks around the world continue to print money at unprecedented levels, in the process, depreciating fiat currencies. Consequently, gold stock investing is both defensive and offensive in 2020 and going into 2021.

Gold stock investing is defensive, because the shiny metal maintains its value while fiat currencies lose theirs. It's also offensive as gold miners' business performance is leveraged to gold prices. Higher gold prices will lead to more price appreciation in stocks of gold miners like Barrick Gold.

Barrick Gold also offers a yield of close to 1.1%.

## The Foolish takeaway

Fortis, Open Text, and Barrick Gold are three recession-resistant stocks that investors can buy now and be confident to hold through this recession.

Fortis is a staple in conservative portfolios. Open Text is a safe choice for double-digit growth. Barrick Gold is a good hedge for a diversified investment portfolio.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks
4. Stocks for Beginners
5. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:B (Barrick Mining)
3. NYSE:FTS (Fortis Inc.)
4. TSX:ABX (Barrick Mining)
5. TSX:FTS (Fortis Inc.)
6. TSX:OTEX (Open Text Corporation)

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