



2 Recession-Resistant Stocks to Own Forever

Description

This year there's been a lot that's gone on. With all the volatility in **TSX** stocks and a likely recession, investors have been reminded why having a high-quality and diversified portfolio is so important.

Good stocks can be nice to own for a few years, but you'll want to own the best stocks forever.

These businesses are dominant in their industry, have strong economics, a competitive advantage, and will almost always be highly defensive.

Buying defensive stocks is important ahead of recessions. However, finding high-quality stocks that will continue to grow their business as well as offer investors low risk would be the best of both worlds. This is the ideal way investors should be looking to invest their hard-earned capital.

Here are two of the top **TSX** stocks which are naturally recession-resistant and high enough quality that you'll never need to sell them.

Asset manager that thrives off recessions

One of the top stocks on the TSX consistently is **Brookfield Asset Management Inc** (TSX:BAM.A)([NYSE:BAM](#)). The alternative asset manager is one of the best businesses in Canada and a highly recession-resistant stock.

In fact, with its massive global portfolio of assets, a recession could help Brookfield to grow in the long run, allowing Brookfield to find highly distressed business it can buy at massive discounts.

That's the gist of Brookfield's long-term investment strategy. The company makes several significant investments around the globe in various industries, which also helps to give the company a tonne of resiliency. Then, as the investment starts to earn higher cash flow, Brookfield can choose to recycle the capital into a new investment or continue to collect the cash flow.

It's been this strategy that's led the company to achieve its massive growth. So far, during the

pandemic, the stock has been more impacted than usual because of its real estate exposure to malls. However, that opens up an opportunity for investors to gain exposure at this ultra-low price.

Brookfield has a tonne of liquidity and is currently looking for the highest value and most distressed assets to put that capital to work. This should allow the company to continue to thrive in a [low rate environment](#).

After the bottom of the last recession, Brookfield rallied by nearly 1000% up until early this year, so we know that this top TSX stock is capable of offering investors massive growth while doing the important job of also protecting their capital.

TSX utility stock for a recession

Another high-quality stock to consider buying before the recession hits is **Emera Inc** ([TSX:EMA](#)). Emera is a utility stock focused primarily on electricity transmission and distribution.

Utility stocks are some of the best defensive stocks you can buy. They provide highly essential services, and revenue is regulated, which helps keep it stable. That isn't the extent of the resilience of the stock, though.

It's also well diversified and well capitalized, nearly eliminating all risks for investors. Just because it's great at protecting your money, doesn't necessarily mean it will grow your money well, though.

However, Emera is a top growth company too. That's part of the reason why the stock raises its dividend consistently each year. It's also why it's one of the top stocks on the Canadian Dividend Aristocrats list.

As of Wednesday's close, Emera was down more than 10% from its high and offering a [4.5% dividend](#), making this the perfect time to gain some exposure.

Bottom line

Although a recession is a fresh concern on investors' minds, and protecting your money is always important, finding stocks that can offer you long-term growth concurrently is the ideal way to invest for the long run.

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2. Dividend Stocks
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2. TSX:BN (Brookfield)
3. TSX:EMA (Emera Incorporated)

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