



## The Crash-Proof Portfolio: 3 Safe Stocks to Buy Post-Pandemic!

### Description

In September, we're seeing stocks tank after months of solid gains. With tech finally sliding after its summer rally, the selling pressure is significant. However, it would be a mistake to say that all stocks are doing poorly now. Many industries that got overlooked in the aftermath of the COVID-19 market crash are finally starting to rise.

Case in point: utilities. The **TSX** utilities sub-index actually rose early Tuesday after trading flat for months. While the broader markets were falling, utilities came out comparatively well. It's not surprising. The utilities sector is beginning to look undervalued after several strong earnings releases and a months long sideways trend.

In this market, it's wise to tread carefully. For months, there were easy pickings in COVID-proof stocks, but that edge is beginning to evaporate. To really pandemic-proof your portfolio today, you need to diversify, with a healthy mix of tech and traditional dividend stocks.

With that in mind, here are three crash proof stocks to buy post-pandemic—all of them utilities.

### Fortis

**Fortis Inc** ([TSX:FTS](#))([NYSE:FTS](#)) is one of the most reliable utility stocks in **TSX** history. It [hasn't missed a single dividend increase in 46 years](#)—despite several recessions having occurred in that period. In 2008 and 2009, it grew its earnings despite the global recession going on at the time. In 2020, adjusted earnings are pretty much flat—despite the pandemic, which sent many other companies' earnings lower.

A word on Fortis' Q2 earnings. You may have seen reports that they were down as much as 65%, but that was mainly due to unusual one-time factors in the prior year quarter. *Adjusted* earnings—which exclude these factors—were up \$0.02 to \$0.56. The adjusted earnings seem more reliable in this case because they exclude factors that won't recur.

## Algonquin Power & Utilities

**Algonquin Power & Utilities Corp** ([TSX:AQN](#))([NYSE:AQN](#)) is a small utility company that focuses on [renewable energy](#). It has big investments in wind and solar power, which are projected to be major growth industries in the years ahead. Over the long term, AQN has been a major growth story, with earnings going from \$97 million to \$530 million in a few short years.

In its most recent quarter, results were more mixed. Revenue was flat, GAAP earnings were up 83%, and adjusted earnings were down 7%. Like with Fortis, the adjusted figure is more reliable here, because it excludes one-time factors. Still, this is a pretty good post-pandemic result.

## Emera

**Emera Inc** ([TSX:EMA](#)) is a utility company that is in many ways similar to Fortis. Like Fortis, it operates in both North America and the Caribbean. Also like Fortis, it has a long history of dividend increases. Finally, like Fortis, it had a decent showing in 2020 year to date. While adjusted earnings were down 11% for the second quarter, cash flow was up \$41 million for the whole year.

For a company to be increasing net cash inflow amid the COVID-19 pandemic is an impressive achievement. It speaks to the reliability of utilities even among recessions and market crashes. As of this writing, EMA was still down 3.8% for the year, despite its cash flow growth in 2020. This could make now a good time to buy the stock while it's still cheap.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:EMA (Emera Incorporated)
5. TSX:FTS (Fortis Inc.)

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