2 Recession-Resistant Stocks to Buy and Hold Forever

Description

Much has gone down in 2020. Investors have seen a lot of volatility in the stock market, a market crash, a rapid recovery, and the possibility of another market crash amid a pandemic. All the chaotic circumstances and their effects on the stock market are great reminders to investors about investing in a high-quality and diverse portfolio of assets.

Certain stocks are excellent to own for a few years. However, the best stocks you can own forever and continually rely on your investment return. One of the sectors that always comes through for its investors is the utility industry. No matter how bad the economy gets, this non-cyclical sector can continue generating revenue that it can use to finance investor returns without fail.

I am going to discuss **Fortis** (TSX:FTS)(NYSE:FTS) and **Emera** (TSX:EMA). I think that the two utility stocks can make valuable additions to your investment portfolio. Let's discuss why the two companies should be "forever stocks" in your portfolio.

Fortis

Fortis is a reasonable stock for any portfolio. Investors can hold their shares practically forever and continue to rely on it to provide dividends without fail. Come rain or shine, Fortis can generate revenue and improve the returns for its shareholders. Fortis has a dividend-growth streak of 46 years.

While many dividend-paying stocks have slashed or suspended payouts, Fortis looks on track to continue with its streak as a Canadian Dividend Aristocrat. Fortis provides essential utilities to customers across North America. No matter what happens with the pandemic, its long-term and highly regulated contracts will ensure its income.

At writing, the stock is trading for $52.01 per share, and it has a juicy 3.67% dividend yield that makes the stock look very attractive.

Emera

Another high-quality utility stock to consider buying to protect your capital is Emera. The utility stock focuses primarily on electricity transmission and distribution in Canada. The defensive stock can continue to generate a healthy income, despite the volatile economy. Emera's revenue is regulated, and its service is essential. It means that the stock can make a predictable income.

Unlike most utility sector operators, Emera can also help you grow your capital. The company posts healthy returns year after year, and it is also on a dividend-growth streak. As 95% of its revenue comes from highly regulated sources, its cash flow remains predictable and stable. The company can continue distributing cash to its shareholders without any impact from market uncertainty.

The stock is trading for $53.12 per share at writing. It is paying its shareholders at a juicy 4.61% dividend yield. Between the share prices and dividend yield, it is an attractive stock to consider.

Foolish takeaway

Stability is the name of the game when it comes to recession-proof stocks. Fortis and Emera both belong to the most recession-resistant industries in the Canadian economy. I think it could be worth your while to invest in both companies or increase your position in the utility providers if you haven't already. The companies could protect your wealth and even grow it during a second market crash.

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