Buy These 3 Safe TSX Stocks to Beat a Market Crash

Description

This week saw the return of the dreaded market correction. While not quite a market crash, the broad splash of red ink briefly saw investors scrabbling for safety. Friday saw many afflicted tickers bouncing back with a welcome return of green figures to the **S&P/TSX Composite Index**. The markets were still mixed, though, suggesting that higher volatility is likely to characterize the markets through fall.

Two energy stocks for portfolio safety-proofing

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is diversified, operates in a growth sector, and pays a dividend. It's also attractively valued, selling with a P/E of 14.5 times earnings in a space averaging 17.3. AQN satisfies a buying thesis based on hydrocarbon reduction. It's also neatly varied in its operations, spanning a broad gamut of green energy sources spanning hydroelectricity to solar power.

I've written before about the investments that **Fortis** (TSX:FTS)(NYSE:FTS) is making in the future. But its recently unveiled five-year plan is eye-wateringly ambitious. Its five-year capital investment scheme of $19.6 billion amounts to an increase $800 million from the 2019's already bold plan.

President and CEO Barry Perry said of the planned outlay, "With nearly $20 billion of capital planned over the next five years, our customers will continue to benefit from the safe, reliable and affordable service we provide. The new five-year plan supports our investment-grade credit ratings and dividend growth, providing stability for our shareholders."

Fortis has long been held up as one of the strongest of blue-chip stocks on the TSX. With a 3.8% dividend yield on offer and an excellent multi-decade track record of payments, Fortis is a Dividend Aristocrat to buy and hold. Pairing with the renewables access of AQN will give investors a solid tag team of utilities businesses to anchor the energy segment of their long-term stock portfolio.

A low-volatility play for diversified dividends

It's rare to see **CN Rail** (TSX:CNR)(NYSE:CNI) dip even slightly. That's just one of the reasons why Monday's selloff was so dangerous. The stock bounced by 1.1% by the end of the week, proving once again that CN Rail is a low-volatility stock that can circumnavigate even the most destructive of market forces. A 1.6% dividend yield is small, but its dependability makes for a passive income play to buy and forget in a long-range portfolio.

CN Rail has proven a hit with low-risk investors in the choppy financial environment of 2020. Up 20% in the last 12 months, CN Rail provides safety for investors fleeing riskier assets. Its operations take in a vast sweep of the Canadian economy, making for a sturdily diversified name. But despite being one of the main struts of the economy, CN Rail is less exposed to it than other heavily correlated sectors, such as banking.

This is due in part to the disparity between materials and financials, with the former outperforming the latter in 2020. It's for this reason that infrastructure stocks also remain somewhat defensive this year while financials struggle. Investors might expect the split between Bay Street bankers and nuts-and-bolt stocks to continue through the fall and into the new year.

CATEGORY

1. Dividend Stocks
2. Investing

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1. dividend aristocrat

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:FTS (Fortis Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:CNR (Canadian National Railway Company)
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