



2 TSX Stocks That Can Protect Your Portfolio From Another COVID-19 Surge

Description

COVID-19 cases are on the rise. The last time this occurred at scale, markets plunged by 40%. Many are worried about a similar fate this time around.

“COVID-19 infections have surged in Canada and if people do not take stringent precautions, they could balloon to exceed levels seen during the first wave of the pandemic,” *Reuters* [reported](#) last week.

“With minimum controls, the virus is capable of surging into a very sharp and intense peak,” warned Canada’s public health chief Dr. Theresa Tam, adding that a new surge “could overwhelm our health system capacity and significantly impact our social and economic systems as well.”

Dr. Tam isn’t alone in her concerns. “Tam’s are the latest in a series of warnings from health officials across Canada that the spread of the disease is gaining momentum,” *Reuters* concluded.

If you’re worried about another COVID-19 surge, pay close attention.

Safety at all costs

If you want to completely protect your portfolio from COVID-19, **Hydro One** ([TSX:H](#)) is the perfect stock. Its business is well insulated from any economic shock, including another viral surge.

The secret is that 99% of Hydro One’s business is rate regulated. That means the government sets pricing, often years in advance.

The other side of the equation is volumes. Hydro One is a utility stock, owning 98% of Ontario’s power lines. It’s a simple business without much volatility. Even during a recession, power demand is [barely impacted](#).

In total, Hydro One operates a business that has guaranteed pricing and stable volumes. This makes it a reliable cash flow machine. Even if COVID-19 cases hit historic levels, the underlying business will continue as normal.

If you own this stock, you should expect to receive the 4% annual dividend, plus roughly 5% annual growth. Those aren't crazy returns, but you'll be glad to own this stock if markets fall by another 40%.

Skip the COVID-19 surge

Some stocks will continue to grow no matter what happens with the coronavirus. Their growth tailwinds are just that strong. **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) is a good example of this.

Over the last century, oil was king. It wasn't that long ago that oil giants were the largest corporations in the world. That era is now over. According to a new report from **BP**, oil demand has permanently peaked decades ahead of expectations.

Of course, we need to replace oil with something. That's where renewable energy comes in. Over the last five years, investment in renewable energy totaled \$1.5 trillion. Over the next five years, investment should surpass \$5 trillion.

This is a gigantic market that's tripling in size every few years. As one of the biggest players in the space, Brookfield Renewable is your best bet. The company already has two decades of proven experience, and its go-anywhere investment approach opens it up to every opportunity available.

The COVID-19 crisis is disrupting nearly every aspect of daily life, but the world's transition to renewable energy will continue unabated. Your best bet is to find stocks that can grow no matter where the virus heads.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
3. TSX:H (Hydro One Limited)

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