



TSX Investing: Buy This 1 Top Stock Today to Get Defensive in December

Description

Investors getting bullish in the summer may have been dismissive of the notion of a second wave of the coronavirus infection. Indeed, in some circles the very phrase was taboo. But now it seems that cases are rising faster than the market had anticipated. The economic impact of this apparent second round of the pandemic could be disastrous on a global scale.

Of course, **Pfizer** and **Moderna** have given shareholders reasons to be cautiously optimistic. However, until a vaccine – or vaccines – can be rolled out and their efficacy proven successful in the field, such hopes are not to be trusted. Some pundits have been on a hair trigger of late, seeing an end to the pandemic everywhere they look. Key indicator stocks such as **Air Canada** and **Cineplex** have been rocketing.

Buying stocks? Watch out for this one thing

As shutdowns once again impact economies around the world, investors should be looking to safety proof their personal investment portfolios. North American markets have been falling as the vaccine hopefulness leaches out. This is likely to recur with every vaccine breakthrough. While this pattern offers opportunities to build and trim, as well as cream short-term upside, such rallies are not to be trusted.

Indeed, a *market crash could even be on the cards*. So far the markets can be wrong about the pandemic. They were wrong about the U.S. election, too. While some analysts theorized that the market was predicting a Democrat win, [movements in certain asset types](#) both before and after the election do not bear out this reading. The markets are therefore at the mercy of unpredictable forces.

So could a market correction be on the way? It's entirely possible. All eyes, as always, are on the U.S. While the election itself may have had a muted effect on stocks, business outlook is a different story. For instance, stimulus packages have moved the markets this year. If Americans are left in the lurch by policymakers this winter, a stock market selloff could follow. And that goes for the **TSX**, as well as the major U.S. markets.

Get ready to get defensive

Stocks like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) stand out as [low-risk buys](#) right now. This true dividend stud recently extended its payment track record to a very reassuring 47 years. Paying a 3.8% dividend yield, Fortis may not be the richest income stock on the TSX. However, it does come with that sleep-easy track record. Also, its payout ratio of 72% represents pretty decent coverage, with some room for a top-up down the years.

A P/B ratio of 1.4 times book is fairly good, while a discount of 40% off its fair value marks this stock out as a bargain for long-term investors. Value investing is looking like the Next Big Thing as investors cycle out of growth stocks. That makes names such as Air Canada and Cineplex such hot potatoes at the moment. But investors may want to balance capital risk by counterweighting a portfolio with tried and tested dividend stocks like Fortis.

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