



3 TSX Stocks to Buy Ahead of a Possible Market Correction

Description

Have you noticed that when the stock market is doing well, [market crash predictions](#) flood the headlines? Volatility indeed remains elevated due to COVID-19 and its new variants. However, the **TSX** is holding ground and not crashing yet in 2021.

The warnings or forecasts may or may not happen. But in case you think it could occur, you can [protect your capital for any eventuality](#). I have narrowed the investment choices if you want to buy ahead of the next market crash.

All-weather

Alimentation Couche-Tard (TSX:ATD.B), the owner of convenience stores in Canada and the U.S., is an all-weather investment. Apart from the network of more than 10,000 convenience stores, Couche-Tard supplies road transportation fuel through 1,300 stations scattered in selected U.S. states. It offers stationary energy and aviation fuel too.

Internationally, the \$42.95 billion company operates over 16,000 stores. The U.S. markets account for approximately 70% of revenues, followed by Europe and the home country. Couche-Tard and Mac's brands are household names in Canada, while Circle K is well known globally.

The company has been in existence since 1980. Throughout the four decades, Couche-Tard has made numerous successful acquisitions that helped it grow to what it is today. Since the advent of convenience stores, customer habits have changed. If you invest today (\$38.51 per share), this stock pays a modest 0.92% dividend.

All essentials

A leading food and pharmaceutical company with operations in Ontario and Quebec is undoubtedly a defensive gem. **Metro Inc.** ([TSX:MRU](#)) is one of Canada's largest food retailers. The \$13.12 billion company showed its resiliency once more in the 2020 health crisis. This consumer-defensive stock

pays a decent 1.89% and maintains a payout ratio of less than 30%.

Metro operates more than 600 food stores and 650 drugstores. Metro, Metro Plus, Super C, Food Basics, and Adonis are the popular banners for the food segment. Jean Coutu, Brunet, Metro Pharmacy, and Drug Basics are the lead brands in the pharmaceutical side.

The business is 73 years old and Metro's market segmentation strategy was the winning formula for its success. It garners significant market shares in unique markets, supermarkets, and the pharmacy sector. Jean Coutu Group, a \$16 billion retail leader, is Metro's largest acquisition and crown jewel.

Defensive all-star

A \$23.19 billion regulated electric and gas utility company from St. John's, Canada, is the TSX's undisputed defensive all-star. **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) engages in regulated power generation, electric transmission, and energy distribution across North America. Regarding revenue contribution, the U.S. side accounts for 60%, while the Canadian and Caribbean markets deliver the rest.

Fortis' business model is low risk and recession-proof because 99% of its utility assets are regulated. There are ten utility companies under one umbrella. Prominent among them are Fortis Alberta, Fortis BC, ITC, and UNS Energy. The total reach is nine U.S. states, five Canadian provinces, and Caribbean countries.

In the U.S., ITC Holdings is the largest independent electricity transmission company. Fortis caters to about 2 million electric utility end-users and 1.3 million gas utility customers across North America. Regardless of the market environment, it's business as usual for Fortis. If you invest today, the dividend yield is a generous 4.07%.

Switch to defensive mode

Play defense and purchase any of three stocks if you fear a 2021 market crash. You safeguard your money while avoiding panic if ever it comes.

CATEGORY

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2. TSX:FTS (Fortis Inc.)
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