



Got \$1,000? 3 TSX Stocks to Buy in Volatile Markets

Description

After months of strength, markets have started looking a bit unstable now. Market participants are shifting to relatively safer bonds from overvalued stocks. Investors can consider these top three defensive **TSX** stocks to take shelter if markets continue to remain volatile.

Algonquin Power and Utilities

Utility stocks have a relatively low correlation with broader markets. That's why investors turn to utility stocks when markets turn volatile. Canadian utility **Algonquin Power and Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) looks fairly placed at the moment.

It offers a stable yield of 4%, higher than **TSX** stocks at large. Algonquin will pay a dividend of \$0.78 per share in 2021. It aims to increase its dividends by 6% per year for the next few years, in-line with the peers.

Along with stable dividends, Algonquin offers decent capital gain prospects driven by its relatively fast-growing operations. It has significant exposure to renewable operations, which offers comparatively higher growth potential.

Algonquin has seen an above-average earnings growth which was well reflected in its stock price. In the last 10 years, the stock has returned 650%, including dividends. This is more than double than peer utility stocks **Fortis** and **Canadian Utilities**.

Barrick Gold

Gold stocks have been trading notably weak due to the yellow metal's slide in the last few months. Top gold miner **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) is currently trading close to its 10-month lows. However, being one of the biggest gold producers and with solid fundamentals, Barrick Gold stock is attractive at current levels.

The downside in the yellow metal also looks limited from here, which making a strong case for gold miners. Barrick Gold posted 125% growth in adjusted earnings, making it one of the best years for the miner. The company also achieved an ambitious target of zero net debt last year, making it [a low-risk investment proposition](#) for investors.

While Barrick Gold might not see significant growth this year as against 2020, the stock is still appealing for long-term investors. Its current valuation, decent dividends, and operational efficiency make it a strong bet among peer gold miners.

Absolute Software

Not all software stocks are volatile and risky. Some are relatively stable and offer decent growth potential. **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)) is among safer tech stocks. In the last 12 months, the stock has soared more than 85%, notably beating TSX stocks at large.

However, the stock has seen weakness in the last month after [reporting](#) its Q2 2021 earnings. The fall was largely due to broad market weakness, and its earnings were above expectations. The recent stock weakness makes it an attractive opportunity for long-term investors.

Absolute Software witnessed superior revenue growth due to higher spending on cybersecurity and a growing customer base. Absolute Software, a data risk management and cybersecurity company, should see increased demand amid growing digitization and increasing risks of cyber attacks. It expects revenue growth of 13% and a robust EBITDA growth of 23% in 2021.

Investors looking for tech space exposure with a low-risk tilt and reasonable growth prospects can consider Absolute Software stock for the long term.

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TICKERS GLOBAL

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2. NYSE:B (Barrick Mining)
3. TSX:ABST (Absolute Software)
4. TSX:ABX (Barrick Mining)
5. TSX:AQN (Algonquin Power & Utilities Corp.)

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Date

2025/09/06

Date Created

2021/03/08

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