



2 Great Defensive Stocks I'd Buy Right Now

Description

Today, some [significant volatility](#) is creeping into financial markets. Recent inflation numbers blew away economist predictions for the kind of price surges consumers can expect. Accordingly, expectations of rate hikes have ushered in a wave of selling today.

However, there are options for investors looking to navigate this environment in a defensive way. These two stocks are among my top picks for such investors.

Algonquin Power

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) continues to be on the list of my [top picks](#), and for good reason.

What sets Algonquin apart from its peers? Well, this company's core regulated utilities business is supplemented by a high-quality portfolio of renewable power assets.

Thus, Algonquin's highly defensive business model is supplemented by some pretty decent growth prospects. This allows investors the opportunity to get defensive, while not taking their foot entirely off the gas. That's a nice compromise.

Algonquin's dividend yield of 4.1% isn't only stable. This dividend has grown over time, as the company continues to return increasing value to shareholders.

Algonquin has recently corrected, and below \$18.50 per share, this stock is a steal, in my opinion.

Kirkland Lake Gold

Recent suggestions that gold isn't the inflation hedge it once was has poured some cold water on this trade. However, investors in gold, and gold miners, saw the value in holding these securities through this past pandemic year.

Of late, gold has begun its slow-and-steady climb higher. Governments around the world are stockpiling gold. China, in particular, has been a heavy buyer; it's expected to load up on 150 tonnes of gold over the near term. As per Metal Focus, this would represent a 30% year-over-year increase in China's demand for gold during this time.

I'm still bullish on gold as a long-term portfolio hedge. Accordingly, I like the leverage gold miners provide to the price of gold.

In this environment, I think **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) an ideal play for long-term investors. This is a miner with some of the best margins and highest-quality mines in the business. It's also one of the most undervalued.

Kirkland Lake's otherwise pristine balance sheet, and its positioning as a mid-cap player make this company well suited to any defensive portfolio. Additionally, Kirkland Lake has paid out an impressive (and growing) dividend, which currently stands at 1.9%. Indeed, that doesn't sound like much, but for gold miners, that's a hefty payout.

Should gold prices continue higher, Kirkland Lake has shown the penchant to raise its payout further. I think such moves are likely over the medium term.

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