



3 Top TSX Stocks Under \$30 to Buy for Defensiveness

Description

Volatility in today's market provides a backdrop of uncertainty for investors. Which way the market will ultimately go from here remains to be seen.

However, investors may want to consider some defensive plays to limit volatility. Risk-adjusted returns may become more important for many investors now. Accordingly, checking out these top three defensive stocks under \$30 may be a good idea for such investors.

In this context, let's dive into why these stocks are great options.

Suncor Energy

In the commodities space, there are few companies with the [quality and defensive profile](#) **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) provides.

Indeed, this energy producer has excellent core fundamentals. Given where energy prices are today, Suncor's cash flows are expected to be very strong for some time. Indeed, if energy prices remain high, Suncor could continue to outperform. Years of cost-cutting measures have positioned Suncor to do well in nearly any commodity price environment. The company's breakeven cost per barrel around US\$35 WTI oil makes this stock highly defensive.

Additionally, Suncor's investments in renewable energy make this a long-term play as well. Suncor's cash flow growth is expected to remain high. Indeed, the company's forecast of a \$2 billion cash flow increase at these energy prices ought to be enough to entice investors today.

Currently, this stock has a dividend yield of 3.2%, For long-term investors, this stock provides a great mix of defensiveness, income, and value at these levels.

Barrick Gold

There's perhaps no more defensive commodity than gold. And gold producers like **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) continue to be among my top picks.

Gold producers provide enhanced leverage to rising gold prices. For those worried about inflation and the effects inflation could have on stocks, gold miners are a great place to be. These stocks are positively correlated with inflation, acting as a hedge in down markets.

Additionally, Barrick has some of the highest-quality mines and gold reserves in the world. It's a global producer with operations in 10 countries and diversified operations across a range of metals. Furthermore, this company boasts some of the best operating metrics of its competitors.

Killam Apartment REIT

Real estate is a more cyclical sector, generally speaking. However, the defensiveness of the dividends paid by REITs make these bond-like equities great picks in today's environment.

In the REIT space, one of my top picks continues to be **Killam Apartment REIT** ([TSX:KMP.UN](#)). This residential-focused REIT focuses on apartment buildings and manufactured home communities in the Atlantic provinces. The REIT has more than \$3.8 billion in assets in its portfolio. And the company's continued to grow its assets considerably over time in a prudent fashion.

I think Killam's operating metrics are among the best in the sector. Additionally, I like the company's cash flow position relative to its peers. Rents came in at a stellar clip throughout the pandemic, showing just how defensive this gem is.

Currently, Killam is attractively valued at less than 15 times earnings. For those seeking reasonably priced long-term growth, this is an excellent option.

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2. NYSE:SU (Suncor Energy Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:KMP.UN (Killam Apartment REIT)
5. TSX:SU (Suncor Energy Inc.)

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Date

2025/06/30

Date Created

2021/05/20

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