



2 Top Value Stocks to Add for Defensiveness Today

Description

Today's market is a difficult one to navigate for most investors. Indeed, by some metrics, there has never been a more expensive market to trade in. Accordingly, investors may correctly be looking to add some defensiveness to their portfolios today.

Diversification is everything, and these two stocks provide diversification in spades. Here's why I think investors would do well to consider these stocks right now.

CIBC

As far as Canadian banks go, **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is a [great pick](#).

This lender is one that continues to have higher exposure to the Canadian housing market than its peers. However, in recent years, this has actually worked in CIBC's favour.

That said, CIBC has increasingly been diversifying its revenue streams away from this sector. The bank is growing its revenue streams from other lines of business well and has rebounded from the effects of the pandemic better than many expected.

During the company's most recent Q1 earnings report, the numbers released were quite good. CIBC shareholders benefited from continued loan-loss-provision reductions as well as organic growth. Net income increased to US\$1.63 billion for Q1. Accordingly, investors saw a 34% year-over-year increase, which was substantially higher than analyst expectations.

The year-to-date rise of more than 30% in CIBC shares is indicative of these incredible results. In fact, CIBC has been one of Canada's best-performing large banks of late. I think this momentum is likely to continue and would recommend this 4.2% yielder right now.

Barrick Gold

For those seeking some real defensiveness, there's no better sector to look at than precious metals. Indeed, within the precious metals space, miners like **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) provide excellent diversification potential today.

The inherent defensiveness of gold goes without saying. It's one of the oldest hedges in the world. Accordingly, for those worried about the impacts inflation and rising rates may have on the stock market, this is one of the best ways to combat this environment.

Barrick Gold has done well of late, boosted by rising gold prices. In recent days, gold has breached the US\$1,900-per-ounce range and continues higher. Many believe gold could break through its all-time high shortly.

For those bullish on gold prices and high-quality, blue-chip gold miners, Barrick is a top-notch choice. The company has some of the best-quality and largest gold reserves in the mining sector. It's also highly diversified, with operations all over the globe.

Investors can't go wrong with either pick today. These two companies are ones I'd certainly recommend for those uncertain about what the future holds today.

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1. Bank Stocks
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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. TSX:ABX (Barrick Mining)
4. TSX:CM (Canadian Imperial Bank of Commerce)

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