



2 Top Canadian Stocks to Buy in June 2021

Description

Considering the volatility in the market today, investors might need to reconsider their investment strategies. Many investors may see the [ongoing inflation affect their stock market returns](#) and possibly result in substantial losses. It would be wise to consider adding positions to defensive and reliable income-generating assets in the current market conditions.

Fortunately, not all stocks on the TSX are slated to suffer amid inflationary conditions. There are promising prospects that could provide these qualities to your portfolio. I will consider two top Canadian stocks that you can consider for this purpose.

Algonquin Power & Utilities

Utility stocks like **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) make ideal picks for any market conditions due to the inherent stability this sector provides to investor portfolios. Algonquin effectively provides a bond-like, guaranteed income to your portfolio through its reliable dividend payouts.

Additionally, the company has invested in a portfolio of high-quality renewable energy assets to offer substantial upside potential to its shareholders. Algonquin is among the best in its sector when it comes to making [ESG-friendly investments](#). The company generates over one-third of its revenues through its renewable assets.

Algonquin could be an ideal bet for long-term investors who want to add defensiveness and growth to their portfolios. Trading for \$18.45 per share at writing, the stock boasts a juicy 4.49% dividend yield and a favorable 11.01 price-to-earnings ratio. Algonquin is also trading for dirt-cheap prices, down 18.15% from its February 2021 high. It could be the perfect time to add the stock to your portfolio to enjoy outsized returns.

Barrick Gold

When inflationary conditions are at their peak, many investors consider taking out their money from the market and investing it in gold. Gold is considered to be the most defensive asset during volatile market conditions. Investing in a gold producer like **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) can let you gain exposure to rising gold prices without taking your money out from the markets.

Barrick remains one of the best defensive assets in the market today, as gold prices begin rising again. Rising inflation concerns are real, and gold prices could be in for a nice climb in the coming months. Barrick Gold has been making moves to improve its operational efficiencies and increase profit margins. The company managed to wipe off its debts in the previous rally for gold prices as its margins improved.

Gold prices also tend to boost when bond yields fall, and it trends higher through the summer months. Between the seasonal strength and falling bond yields, gold stocks like Barrick Gold could be valuable additions to investor portfolios to preserve and possibly grow wealth under inflationary conditions.

Foolish takeaway

It remains to be seen how drastic the market conditions will become in the coming months. Adding defensive and income-generating assets could do more than provide you with protection for your capital. Investing in companies like Algonquin Power & Utilities and Barrick Gold could offer upside potential to your portfolio and generate [market-beating returns](#).

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:B (Barrick Mining)
3. TSX:ABX (Barrick Mining)
4. TSX:AQN (Algonquin Power & Utilities Corp.)

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