



## 3 Top Defensive TSX Commodity Plays for Cautious Investors

### Description

We all know investing in the market comes with inherent risk. As valuations continue to soar, these risks become more pronounced.

Accordingly, for those unsure of where to put their money to work, diversifying into defensive plays is a great idea. Such stocks provide certainty, even in the most volatile markets.

Among Canadian defensive plays, these three stocks are near the top of my list. Let's discuss why investors should consider these commodities plays right now.

### Barrick Gold

As far as defensive sectors to target, gold is right up there with the best places to park one's cash for those banking on uncertainty. Specifically, gold miners are one segment I view as historically undervalued right now.

In this sector, **Barrick Gold** ([TSX:ABX](#))([NYSE:GOLD](#)) continues to be one of my [top picks](#).

Barrick is one of the largest gold producers in the world. Indeed, the miner's gold reserves continue to be among the largest and highest quality of its peer group. For those bullish on where the price of gold is headed, this is a solid pick today.

Barrick has a decent balance sheet and a great cash flow growth profile, particularly for those bullish on precious metals right now. As a hedge or a pure near- to medium-term growth pick, Barrick fits most portfolios nicely.

### Nutrien

A true pure play on the commodities sector is **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)).

This producer of potash, nitrogen, and other fertilizers and farming products is about as highly cyclical

a play investors could want in this environment. For those banking on strength in the agricultural space, Nutrien is one of the best plays on the market today.

Yes, Nutrien's share price has taken off of late along with the recent commodities bull market. However, for those who believe it's still early innings in this trade, Nutrien currently trades at an attractive valuation relative to its cash flow growth prospects.

I see Nutrien as a long-term play on an extremely stable sector. We all need to eat. Until that changes, I think more defensive money is going to flow into gems like Nutrien.

## Suncor Energy

The energy sector is one of those black sheep investors may not want to talk about. Indeed, supporting the fossil fuels industry can be a no-go for many investors.

However, as far as energy companies go, Canadian producer **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is among the best from a quality, growth, and value standpoint.

This oil and gas player has been growing its margins substantially of late. This has been done via both production increases and cost-cutting strategies that have proved successful. As the price of oil just passed US\$70 WTI today, Suncor's cash flow potential certainly looks bright. That's because this large-cap oil producer has a breakeven cost per barrel of only US\$35 WTI at present.

What does that mean? Well, investors get a massive margin of safety with this stock. For investors worried about volatility in energy markets, that's a great thing.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Metals and Mining Stocks

### POST TAG

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2. dividend stock
3. energy
4. Gold
5. growth
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### TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:NTR (Nutrien)

3. NYSE:SU (Suncor Energy Inc.)
4. TSX:ABX (Barrick Mining)
5. TSX:NTR (Nutrien)
6. TSX:SU (Suncor Energy Inc.)

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