Worried About a Market Pullback? 2 Top Stocks to Protect Your Portfolio

Description

Lately, I have been seeing and hearing more investors talk about the next potential stock market pullback and how it could come soon. Periodically, there will always be some investors who are worried about a market pullback for one reason or another. And while that's a risk that's always present, and one that you shouldn't ignore, market crashes and corrections don't happen all that often.

However, as more investors talk about it, and the worries of a market pullback become mainstream news more often, it could be a sign for investors to watch carefully. Of course, a market pullback is usually caused by some catalyst, but it will be helped by the fact that investors are uneasy.

So, seeing more and more investors talk and worry about a market crash could be an early sign that investors are considering jumping ship. Still, though, it's been proven time and again that it's practically impossible for anyone to time the market.

So, rather than try to pull out of your investments when you think a market crash is coming, the prudent move is to make sure you don't have any highly risky, highly speculative investments and that the companies you do own are strong and stable.

So, if you're short on these high-quality, stable, and low-volatility stocks, here are two to consider today.

One of the top stocks to own during a market pullback

Some of the safest businesses as well as least-volatile stocks are those of utility companies such as **Fortis** (TSX:FTS)(NYSE:FTS).

Fortis is one of the top utility stocks in Canada. The company has mostly electric assets, with some gas businesses operating in several different jurisdictions. The company is so large that it serves roughly 3.4 million customers.

The one thing that's so great about Fortis is that it's the perfect long-term investment. The stock can grow well over the long run and is extremely stable during market pullbacks.

Often, lower-risk stocks don't offer as much growth potential. Fortis, though, has an impressive history and continues to show it can grow at an attractive pace, especially for such a highly stable investment.

And as the company continuously finds ways to grow its revenue and earnings, investors are rewarded with an increasing dividend.

Fortis is one of the oldest Dividend Aristocrats in Canada. It's increased its dividend for 47 consecutive years and is targeting at least 6% annual growth in the dividend over the next few years.

A 6% pay raise every year is extremely appealing, plus it shows just how solid of a company Fortis is. So, even though the stock is one of the safest and can protect your capital well in a market pullback, it also has plenty of potential to grow its business as well as investors' capital at an attractive pace.

A top telecom stock to buy for the long run

In addition to Fortis, another high-quality stock that can grow rapidly and protect your capital is **Telus** (TSX:T)(NYSE:TU).

During the market crash last March, Telus stock fell by just 25% at its worst point compared to the broader market, which fell by more than 37%.

One of the reasons Telus performed better is because investors know what a great business it is. Furthermore, it's widely known that telecommunications stocks have highly stable operations, which are critical to our economy.

So, even if the economy was to go into a tailspin, and if consumers' incomes were to fall, telecommunications services would be some of the last expenses that consumers cut.

Investors know this, which is why it's a stock that most hold onto during a market pullback, which is what allows it to perform better than many of its Canadian stock peers.

Plus, it's also a high-quality growth stock when the economy is booming and pays an attractive and growing dividend.

So, if you're concerned that there may be another market pullback forthcoming, or even just a smaller market correction, these two stocks are some of the best to buy today. They can add a tonne of stability to your portfolio all without giving up long-term growth potential.

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Date
2025/08/02
Date Created
2021/07/14
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