3 Top TSX Stocks to Buy in Falling Markets

Description

Decent exposure to defensive stocks will provide stability to your portfolio in volatile markets. Although markets might not crash like last year this time, it makes sense to rebalance exposure to defensive stocks. Here are the top three **TSX** stocks to consider in volatile times.

Fortis

Utilities usually outperform amid broad market uncertainties. Canada's top utility **Fortis** (TSX:FTS)(NYSE:FTS) is a classic defensive pick. Not only for the ongoing weakness but for the longer term as well, Fortis could be a classic hedge in uncertain markets.

It yields 3.6% at the moment. Fortis does not offer a substantially higher yield, but it has a long dividend growth streak that suggests stability and reliability. Stocks like Fortis stand tall in recessions as well because of their stable earnings profile. It generates almost entire of its earnings from regulated operations, which enables stable dividends.

Fortis aims to increase its dividends by 6% per year for the next few years. It might underperform in bullish markets. But its stable dividends in all kinds of markets come in very handy for income-seeking investors.

Dollarama

Canada's value retailer **Dollarama** (TSX:DOL) is another top stock to consider in falling markets. Its stable earnings have created solid wealth for shareholders in the long term. Dollarama stock notably outperformed in the epic crash last year and was also faster to recover. It was one of the top-gainer TSX stocks in the last decade, gaining more than 1,000%.

Dollarama's wide presence is its biggest competitive advantage. It operates 1,368 stores in Canada, which is 2.5 times more stores than four of its pure-play competitors combined. It offers a wide array of everyday products with fixed price points of up to $4.0. Its unmatchable value proposition and significant reach differentiate it from its peers.

Dollarama continues to weigh on growing its store network to drive future growth. It opened 12 net new stores in the recent quarter. The store count and respective revenues will likely increase in the post-pandemic period once restrictions wane. Dollarama's stable earnings profile and relatively less volatile stock make it one of the top bets for long-term investors.

BCE

Top telecom titan **BCE** (TSX:BCE)(NYSE:BCE) is my third pick for your defensive portfolio. Canadian telecom companies will start a new growth chapter in the next few years with the advent of 5G. And I think BCE is well placed to benefit from this game-changing technology.

BCE is the biggest telecom company by market cap and is the second-biggest by subscriber base. Also, it has one of the strongest balance sheets in the industry. This will play well for higher capital spending needs in the next few years. Notably, BCE is already aggressively investing in its network infrastructure.

BCE stock yields a handsome 5.6%, far higher than Canadian stocks' average. It will likely keep increasing dividends at a decent pace driven by its low-risk operations and stable earnings.

BCE stock has underperformed broader markets since last year. However, it has returned 175% in the last decade, more than double the **TSX Composite Index**.

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