



Worried About Increasing Market Volatility? 2 Top Stocks to Buy Now

Description

Over the last few weeks, although multiple stock indices have been hitting all-time highs, markets have been getting choppier. Of course, whenever stocks are reaching all-time highs, and valuations are frothy, it isn't easy to decide which are the top stocks to buy now.

It can be even more complicated these days as the market looks optimistic, but many lingering headwinds continue to cause uncertainty.

The long-awaited recovery is here in Canada, and provinces have been opening back up in time for us to enjoy our summer. Unfortunately, the same progress isn't being made around the world, though.

For example, in the United States, the country has faced vaccine hesitancy by a large portion of its population, which is now resulting in confirmed coronavirus case numbers rising once again. This is a concern that caused a bit of a selloff last week.

Inflation is another headwind to watch for that the market is concerned about as well. Recent inflation numbers have shown price levels rising rapidly, far faster than central banks would want.

With the headwinds and uncertainty picking up, it's crucial to be strategic about the stocks you pick for your portfolio. So with that in mind, here are two of the top stocks to buy now.

A top Canadian utility stock

Any time you're looking to add defense to your portfolio, adding a utility stock like **Hydro One** ([TSX:H](#)) is one of the best ways to address it.

Hydro One is a high-quality [electric utility stock](#) that can protect your money and offer stable long-term growth. Not only is it a highly stable and defensive stock, but it's also a top stock for passive income seekers to buy now.

Hydro One aims to have a payout ratio between 70% to 80%, with the rest going toward the growth of

the operations. These operations include the transmission lines which bring electricity from generating sources like hydro stations, solar and wind farms, or natural gas plants to its commercial customers or distribution partners.

However, Hydro One also has its own distribution segment as well. In addition, it owns a tonne of other important assets, such as cross-border interconnections as well as its own telecommunications business.

So if you're worried about volatility increasing or just think your portfolio could use more defence, I'd consider Hydro One. It's one of the top stocks to buy now, to hold for years while it protects and grows your capital.

A top consumer staple stock to buy now

In addition to Hydro One, another high-quality [dividend stock](#) to add to your portfolio today is the **North West Company** ([TSX:NWC](#)).

The North West Company is a consumer staple stock that operates mostly in northern Canada and Alaska. While it's a little less stable than a regulated utility stock like Hydro One, it offers a lot more growth potential, making it another top stock to buy now in this uncertain environment.

Because it operates mostly in remote communities, the company has little competition. And over the last few years, it has been significantly improving the efficiency of its operations. This has helped it to grow its margins considerably. So even though its sales won't grow that rapidly, its profits can grow a lot faster.

At current prices, North West stock has an attractive yield of 4%. And you can expect that dividend to continue to increase as North West grows its profitability.

So if you're looking for an investment that can protect and grow your money for years to come, North West is one of the top stocks to buy now.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. TSX:H (Hydro One Limited)
2. TSX:NWC (The North West Company Inc.)

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