



Worried About BlackBerry's Losses? Hedge Your Portfolio With 3 Stocks

Description

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock is now heading close to \$13 after the [gamma squeeze](#) cool-off. If you purchased the stock around \$14-\$15, you might be getting anxious about the losses on BlackBerry stock. Was right to buy the stock at \$14-\$15 price? I have recommended buying BlackBerry at \$11-\$12 but not above that. But now that you hold the stock at \$14, what should you do?

What to do with BlackBerry stock

- Either you exit BlackBerry and recoup the loss from other stocks; or
- You stay invested, hoping for another gamma squeeze.

The option you choose depends on your current situation. If you don't need the money invested in BlackBerry for two years and still have money for other investments, stay invested in BlackBerry.

Use the surplus money to invest in other stocks that can hedge your BlackBerry losses and keep your overall portfolio green.

If you don't have surplus money for other investments, exit BlackBerry and invest in the below stocks. It will take two to three years to recoup the losses.

Three stocks to hedge your portfolio

The best way to hedge against volatility is to invest in resilient and dividend-paying stocks. Such stocks don't give you capital appreciation, but they are among the safest when it comes to equity.

SmartCentres REIT ([TSX:SRU.UN](#)) offers a 6.15% annual [dividend](#) yield, which it pays monthly. If you invest \$1,000 in the REIT, you will get \$61.5 in dividends annually. At this rate, it will take two years to recoup the 14-15% loss on BlackBerry.

But the benefit is, you can lock in a 6% yield for several years to come. How? SmartCentres has been paying regular monthly dividends for over 12 years without any dividend cuts. This shows that the REIT has developed several properties and secured tenants thanks to the

Walmart-anchored stores. The rent from these properties allows it to pay regular dividends even during crises.

SmartCentres is now developing mixed-used properties like offices, residential, and condos — some for sale and some for lease. This whole town planning would help the REIT generate higher rent for its properties in the long term. You can use this REIT as a hedge against your risky portfolios.

Suncor stock

Being in Canada and not owning an [oil stock](#) is like not enjoying the snow in December. Canada has the third-largest oil reserve in the world, and **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is the country's largest integrated oil company. As oil is a commodity, there are ups and downs, and Suncor has no control over the oil price. But it does benefit from the cyclical nature of oil prices.

No matter how much we talk renewable, it can't replace oil in every segment. Jet fuel still has no renewable alternative, and people won't stop flying. Hence, any dip is an opportunity to buy. Suncor stock fell 21% last month on oil supply disputes. But I believe the stock has bottomed out.

As the Canadian government opens borders for U.S. citizens on August 9, the stock will rally to the \$28-\$30 range, making up for your BlackBerry losses. Suncor will also give you a 3.4% annual dividend yield.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is an integrated energy company that produces and distributes electricity and natural gas. It is seeing the return of demand from mining and industrial sectors, which is driving earnings and cash flow.

Moreover, the company is acquiring Pioneer Pipeline in Alberta, building clean hydrogen projects in Australia and Canada, and modernizing Puerto Rico's electricity transmission and distribution system. These projects will increase Canadian Utilities's cash flows, enabling it to continue paying dividends and even increase them. The stock offers a dividend yield of 4.98% and is heading towards the pre-pandemic level of \$40, representing a 13% upside.

Final thoughts

The above three stocks can help you hedge the downside risk from volatile stocks through regular dividends and stable growth.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
4. TSX:SU (Suncor Energy Inc.)

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