



2 Must-Own Stocks if You Think the Market Will Tank

Description

As the economic expansion continues amid rising consumer demand and increasing vaccine rollouts, things seem to be looking up for the world. Stock market investors have been enjoying stellar returns as equity markets continue to soar. The **S&P/TSX Composite Index** has been on a bull run for most of this year. At writing, the Canadian benchmark index is up by 18.64% on a year-to-date basis.

However, many investors are beginning to worry about the dreaded possibility of a significant downturn in the market as the market consistently keeps hitting new all-time highs. If you are [scared of a market pullback](#), it would be wise to allocate a reasonable portion of your portfolio to stable, dividend-paying stocks that can continue providing you with wealth growth despite uncertain operating environments.

The goal is to find high-quality companies that can continue generating stable cash flows to weather the [volatile conditions](#) with wide enough economic moats to emerge stronger on the other side.

Today, I will discuss two such stocks that can add a degree of defensive capabilities to your portfolio.

Algonquin Power & Utilities

Algonquin Power & Utilities ([TSX:AQN](#))([NYSE:AQN](#)) is an excellent stock to own if you are thinking of allocating a portion of your portfolio to defensive stocks. The stock has the ability to deliver decent returns in all market environments. The company boasts a portfolio of power-generating assets in a highly rate-regulated industry. It means that these assets generate stable and predictable revenues for the company.

Additionally, the utility company has a growing portfolio of renewable power-generating assets. The combination of rate-regulated utility assets and renewable energy assets allows Algonquin Power & Utilities to enjoy industry-leading revenue growth. At writing, the stock is trading for \$19.67 per share and is up by almost 300% in the last 10 years. Algonquin stock also boasts a juicy 4.35% dividend yield that you can lock into your portfolio today.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is another company that is worth owning today if you are worried about the impact of a market downturn on the economy. The telecom giant provides an essential service to its customers in an increasingly digital world. The \$59.73 billion market capitalization stock is the biggest telecom company in Canada in terms of its market cap and a pioneering presence in the country's 5G space.

BCE's management plans to invest \$1.7 billion to speed up its 5G rollout to capitalize on the revolutionary new technology. As one of the leading forces in this sector, BCE is well-positioned to capitalize on the profits that will come with its 5G rollout.

Apart from the upside potential through 5G technology, the company operates a low-risk business that makes its earnings relatively predictable. At writing, the stock is trading for \$69.95 per share and boasts a juicy 5.31% dividend yield.

Foolish takeaway

Savvier investors tend to turn to defensive assets when the uncertainty in broader markets begins to rise. The right defensive investments do more than just protect your capital from the effects of a downturn. These financial instruments can also help you get an upward push for your portfolio despite the economic conditions.

If you are worried about market volatility, rebalancing your portfolio to [add defensive properties](#) to it can work wonders for your financial security. Algonquin Power & Utilities stock and BCE stock could be excellent picks for you to consider for your investment portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:BCE (BCE Inc.)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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