
# TSX Tops 20,800: Ready Your Safety Net Ahead of a Market Pullback

## Description

The **Toronto Stock Exchange** has gained 85.43% since falling to 11,228.50 on March 23, 2020. On September 6, 2021, the index closed at a record high of 20,821.40 to push its year-to-date gain to 19.43%. All 11 primary sectors, led by the energy and technology sectors, are in positive territory.



However, fears of a market pullback have heightened. Besides the fast-spreading Delta variant, September is usually the worst month for stocks. Some market observers even suggest tuning out of the market in the meantime. On September 30, 2020, the TSX declined 2.38% month over month before regaining momentum in mid-November 2020.

Should history repeat itself, are your safety nets ready? If the odds favour a market pullback, now is the time to be risk averse. Are you invested in **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) or **Fortis** (TSX:FTS)(NYSE:FTS)? The two premier TSX stocks have proven time and again that they can endure downturns, regardless of magnitude. Make either one your anchors for uninterrupted income streams and peace of mind.

## Shareholders are top of mind

Toronto-Dominion Bank and the rest of Canada's big banks stockpiled provisions for credit losses (PCLs) in Q1 fiscal 2020. After Q3 fiscal 2021, Canada's second-largest bank reported a considerable $851 million reduction in PCLs versus Q3 fiscal 2020.

For the nine months ended July 31, 2021, TD's adjusted net income rose 54% to $10.78 billion compared to the same period last year. The bank's president and CEO Bharat Masrani said TD's strategy is anchored on a proven business model. It was why the bank delivered again for shareholders in Q3 fiscal 2021.

Masrani acknowledges that the global pandemic is not yet over. He said, however, that TD will continue to adapt to the fluid environment and adjust in real time. If you recall, the $150.06 billion bank was the only company that reported top- and bottom-line growth during the 2008 financial crisis.

Current investors are up 32.49% year to date. TD trades at $82.45 per share and pays a 3.83% dividend. Moreover, its 164-year dividend track record should give you the confidence to make TD your core holding.

## Solid foundation

Fortis is the undisputed defensive all-star to many Canadian investors. When the going gets tough, seek the safety of TSX's top utility stock. The share price dropped below $40 on March 23, 2020, due to the general weakness of the market, not poor business performance. Investors are ahead 14.25% so far in 2021.

The $27.23 billion company isn't the highest dividend payer, although the payouts should be safe come hell or high water. Fortis is second to **Canadian Utilities** in terms of dividend-growth streaks. It has raised the dividend for 47 consecutive calendar years. Management even plans to raise the dividend by 6% annually through 2025.

Apart from the enduring energy delivery business in North America, nearly all of Fortis's assets are highly regulated. It means that cash flows are visible and stable. Ten utility companies contribute to total revenue. According to its president, CEO, and director, David G. Hutchens, Fortis has a solid foundation to withstand and overcome headwinds.



## Safety first

The phrase "what goes up must come down" may or may not apply to the TSX in September or the last quarter of 2021. Still, it would be best to prepare your safety nets for any adverse market conditions.

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