2 Top Defensive Stocks to Buy Today

Description

The Delta variant of the deadly coronavirus is lurking. Hopes that this pandemic was nearing its end appear to be waning right now. Accordingly, investors are increasingly shifting from aggressive growth stocks to more defensive stocks right now.

This makes sense in light of the heightened portfolio risks that exist today. Accordingly, these two top defensive stocks are getting more attention right now.

Let's dive into why these two top stocks are worth checking out right now.

Top defensive stocks: Restaurant Brands

Restaurant Brands (TSX:QSR)(NYSE:QSR) continues to be atop my list of top defensive stocks. One of the key reasons for this is the company's world-class positioning in an incredibly defensive sector.

Fast food (or quick-service restaurants — hence the ticker) is inherently defensive. Folks need to eat. And when times get tough, more folks opt for a burger and fries rather than a fancy Italian sit down experience.

For investors in Restaurant Brands, the parent company of banners Popeyes Louisiana Kitchen, Burger King and Tim Hortons, that's a great thing. Indeed, these banners are some of the best globally and have shown great growth promise over time. As these banners expand into Asia, I see a tremendous amount of growth on the horizon for this company.

Thus, Restaurant Brands is a company investors can also go on the offence with. This sort of defensive growth provides stability underneath the company's impressive 3.3% dividend yield. To me, that's simply the cherry on top for long-term investors seeking value.

The company's revenue growth of 37% year over year has been impressive. Additionally, adjusted profits rose by 25% over this same period. Restaurant Brands is on the right track and shows signs its defensive business model is working for long-term investors.

Barrick Gold

There are few sectors more defensive than gold. And in the gold mining space, one of the defensive stocks I've been pounding the table on of late is **Barrick Gold** (TSX:ABX)(NYSE:GOLD).

Indeed, this company is one of the kingpins in the gold mining sector. With a valuation exceeding $40 billion, it is the second-largest player in the sector. The company has reserves located across the Middle East, Africa, South and North America, delivering over 4.5 million ounces of gold in 2020. These operations have provided shareholders with revenues of $12.6 billion this past year.

Further, Barrick has over $5 billion in cash and cash equivalents and expects to generate more than $12 billion in revenue in 2021. Indeed, Barrick has shown the ability to generate historically high cash flows of late. This past year, cash flows came in at $3.4 billion. I think more cash flow growth is likely, as Barrick finds new opportunities to grow in some of its markets.

Additionally, Barrick's copper exposure is often overlooked. The company's all-in sustaining costs for copper production come in at around US$2.74 per ounce. Given how well commodities have done of late, Barrick could be an undervalued defensive stock for long-term investors to consider at these levels.

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2. Metals and Mining Stocks

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