



## Scared of the Falling Market? 2 Safe-Haven Stocks to Buy

### Description

The recent volatility in the stock market left many investors worrying about whether the much-feared market downturn is finally upon us. However, the last few days of trading have seen the **S&P/TSX Composite Index** resume its upward trend.

While it's impossible to predict when the next market crash will happen, we do know that it is inevitable. Unfortunately, many investors begin panicking at the first sign of trouble and unload their shares to worsen the problem.

If you are [scared of a market pullback](#), it would be worthwhile to prepare your portfolio by allocating a portion of it to safe-haven assets that can protect your capital. Today, I will discuss two Canadian stocks that can not only protect but also [grow your wealth](#) despite weakness in the stock market if a pullback happens.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is as safe a safe-haven asset as you can get among Canadian equity securities. The bond proxy stock boasts a 47-year dividend growth streak that has made it through previous phases of harsh economic environments, mostly because the low-risk business is virtually immune to economic cycles.

Fortis owns and operates 10 utility businesses across Canada, the U.S, and the Caribbean, providing 3.4 million customers with gas and electric utility services. The demand for its services will not decline regardless of what is happening in the economy, virtually guaranteeing its revenues. Fortis also earns most of its revenues through highly regulated assets. It means that the company generates predictable cash flows.

A low-risk business that generates stable and reliable cash flows allows its management to fund its capital projects and growing dividend payouts comfortably. At writing, the stock is trading for \$57.14 per share and boasts a juicy 3.54% dividend yield.

## Barrick Gold

Gold is the traditional safe-haven asset that investors typically flock to during market crashes because the rare yellow metal's price is inversely proportional to the broader economy. **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) is a Canadian stock that can provide you with exposure to rising gold prices during market downturns without ever leaving the stock market.

Barrick Gold is one of the largest gold producers worldwide. Since the company's revenues depend on the price of the underlying commodity, higher gold prices will improve its profit margins and send its share prices higher. Barrick Gold surged by 75% between March and May 2020 due to similar reasons. At writing, the stock is trading for \$23 per share, and it is down by almost 27% year to date.

If a market downturn occurs and causes gold prices to rise, Barrick Gold stock could see its performance on the stock market improve. It could be the ideal time to buy its shares for a bargain if you are worried about a significant decline in the stock market.

## Foolish takeaway

The possibility of a major downturn in global equity markets is becoming increasingly concerning. **Evergrande**, one of China's most prominent real estate companies, is on the cusp of buckling under its weight. If the company goes under, it could send the world's second-largest economy into a recession that could catalyze global market weakness.

If the Chinese debt problem sends ripples worldwide, it could devastate Canadian investor returns as well. Whether or not a global market downturn happens, it is a good idea to prepare your portfolio and protect yourself from the effects of a market downturn.

Allocating a reasonable portion of your investment portfolio to safe-haven assets like Barrick Gold stock and Fortis stock could help you weather the storm and come out a [wealthier investor](#) on the other side.

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