



3 Stocks That Could Recession-Proof Your Money

Description

Diversification is a proven strategy against market volatility. Stock investors spread out the risks by holding assets from different sectors. However, when a downward economic turn looms, you could take it a step further by taking a more defensive stance. Choose from businesses in select sectors that can endure a recession or inflationary periods.

The Bank of Canada said the inflation rate is likely to stay above its target range for most of 2022. With inflation rising much faster than expected, it could force the central bank to increase the interest rate as early as April next year. Risk-averse investors should prepare and recession-proof their money while there's time.

Toronto Dominion Bank ([TSX:TD](#))([NYSE:TD](#)), **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)), and **Alimentation Couche-Tard** (TSX:ATD.B) are the top choices if you need to rebalance or [make your portfolio stronger](#), if not unshakeable.

Formidable as ever

TD is no stranger to financial meltdowns. Canada's second-largest bank is a top franchise at home and in the United States. In terms of brand value, the \$163.5 billion lender ranks number one in brandirectory.com's Canada 100 2021 Ranking. Its [industry peers](#), **Royal Bank**, **BMO**, and **BNS**, occupy the next three spots.

The global pandemic and the low-interest-rate environment are strong headwinds to the banking industry. Still, TD emerged stronger following the COVID year. After three quarters in fiscal 2021 (nine months ended July 31, 2021), net income growth versus the same period in fiscal 2020 was 56%.

TD's Canadian and U.S. retail segments reported 68% and 92% growth in net income. Bharat Masrani, TD's Group president and CEO, assured investors the bank will continue to adapt to the fluid environment. The share price is \$89.84, while the [dividend yield](#) is 3.52% if you invest today.

Trade enabler

CNR operates in a duopoly and is nearly twice as large as rival **Canadian Pacific Railway**. Thus far, in 2021, current investors are up 19.05%. At \$164.48 per share, the dividend yield is 1.5%. Somehow, the business performance this year reflects in the stock's steady performance.

The \$116.33 billion railway operator reported strong financial and operational results after three quarters in 2021. In the nine months ended September 30, 2021, total revenue, adjusted operating income, and net income rose 6%, 20%, and 45% versus the same period in 2020.

CNR's president and CEO, J.J. Ruest, is confident the company will achieve its target of additional (\$700 million) operating income for 2022. By the end of January 2022, CNR would complete its \$1.1 billion share repurchases. A transportation leader and trade enabler like CNR lends stability to a stock portfolio.

Vital role in communities

Couche-Tard is a global leader in the convenience store sector. The \$49.6 billion company's rich history dates back to 1980 and hasn't stopped growing. According to Founder and Executive Chairman Alain Bouchard, the business is continuously innovating and looking for ways to offer more convenience and mobility to its customers.

With a global reach (26 countries and territories) and 14,200 operating stores, Couche-Tard plays a vital role in the communities it serves. This consumer-defensive stock trades at \$46.42 per share and pays a modest 0.75% dividend.

Surefire way

TD (first), CNR (14th), and Couche-Tard (81st) are top Canadian brands and industry leaders. Owning shares of one or all is a surefire way to recession-proof your money.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. cliew
2. kduncombe

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing

Date

2025/08/26

Date Created

2021/11/02

Author

cliew

default watermark

default watermark