



Retirees: Worried About a Recession? 3 Safer Stocks to Buy

Description

The health crisis brought a retirement crisis and raised the anxiety levels of retirees. Seniors with stocks investments were relieved that the market selloff in March 2020 was short-lived. The **TSX** recovered the losses then went on a bull run throughout 2021.

This month, however, the [threat of recession-inflation](#) is back. The inflation rate is rising faster than expected and above the Bank of Canada's target range. While the TSX has shown resiliency, it isn't standing on solid footing. The market may or may not tank, but if a recession worries retirees, they should take action this instant.

Moving to safer stocks is the order of the day for retirees. They need to secure their income streams against potential price volatility. The suggestion is to invest in [companies that can endure economic downturns](#). A solid combo would be a bank, a telco, and a consumer staple stock.

Dividend pioneer

The **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) should be tops on the list of risk-averse retirees. Canada's oldest bank and the fourth-largest lender is the dividend pioneer. The dividend track record of this \$88.41 billion bank is eight years shy of two centuries. By 2029, BMO's sterling record would be 200 years.

All Big Five banks in Canada, including BMO, have been through the worst recessions. In the last 48.93 years, the total return is 29,304.17% (12.32% compound annual growth rate). As of November 3, 2021, the bank stock trades at \$137.03 per share.

BMO's masterful recovery from the carnage last year shows why the stock can calm your recession fears. Also, the news is getting louder that [banks will hike dividends](#) by up to 25% soon.

Bond-like qualities

The telco industry will stand tall regardless of the economic environment. People and businesses need the products and services of **Telus** ([TSX:T](#))([NYSE:TU](#)) 24x7. Some market analysts liken Canada's second-largest telco to bonds but with higher returns. If you invest in this 5G stock today (\$28.28 per share), the dividend yield is 4.47%.

Things are happening in Telus, beginning with the appointment of John Raines as the new head of Telus Agriculture. The subsidiary, a global-leading agriculture technology company, provides innovative connected technology solutions. It leverages real-time data to optimize the food value chain.

Recent reports say Telus will make a meaningful investment in iSmash, a chain of technology repair shops in the U.K. The investment amount, through Telus Venture, was not disclosed, although it's part of the new funding round by iSmash. Telus also acquired Canada's largest chain of tech repair shops, Mobile Klinik, more than a year ago.

Perfect backup

Rogers Sugar ([TSX:RSI](#)) is the perfect backup to BMO or Telus. Sugar is a consumer staple, and the company operates in a duopoly. Thus far, in 2021, sugar and maple production and volumes of this \$584.79 million company are returning to pre-pandemic levels.

Regarding affordability and income potential, the consumer-defensive stock is the cheapest of the three (\$5.68 per share) and pays the highest dividend (6.34%). However, don't expect much in capital gains because the price is always steady, with no wild swings.

Don't delay

The situation is fluid, and the stock market could be shaky until 2022. Meanwhile, it would be best for retirees to move to safer grounds while there's time.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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3. TSX:BMO (Bank Of Montreal)
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