



Where to Invest in Times of Volatility

Description

The past two years have been anything but normal on the market. We've seen the market soar pre-COVID and then saw it crash when the pandemic started. Since then, there has been a general push upwards toward new highs. Most recently, genuine concerns of rising prices and interest rates have welcomed a new bout of volatility. Here's where investors can look to in these times of volatility for gains.

When it comes to [defensive stocks](#), the two areas that come to mind are utilities and telecoms. Both segments represent decades (and in some cases, over a century) of growth through turbulent times.

Let's start with a telecom investment

One defensive telecom to consider is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)). BCE is one of the largest telecoms in Canada, boasting nationwide coverage for its core subscription services. Additionally, BCE has a sprawling media segment that blankets the country with dozens of TV and radio stations. As if that weren't enough, BCE also has an interest in professional sports teams.

In short, BCE has multiple diversified revenue streams to augment what is already a stable and recurring revenue stream. Even better is the expected growth from that already stable business that will be coming from both its wireless and internet segments.

Consumers are using their wireless devices more and more for online transactions. That shift away from physical window shopping to online surfing has been growing in recent years. Since the pandemic, that shift has only accelerated. It's not only shopping either. Data-hungry streaming apps continue to dig into subscriber data limits now that more of us are at home for longer periods of time.

Speaking of staying home, the pandemic also pushed countless office workers into a new remote office setting. For many, that transition is now permanent, meaning that maintaining a fast, consistent home internet connection has become a pre-requisite for work.

All of that translates into a near-impenetrable moat for BCE, elevating the defensive appeal of the

stock to new levels. This also makes it a great option to invest in during times of volatility.

Let's also take a moment to talk about BCE's dividend. The company has provided investors with a tasty payout for well over a century, and after all that time it continues to impress. The current quarterly payout works out to an impressive 5.47%. To put that into context, a \$35,000 investment in BCE will provide an annual income of just over \$1,910.

Utilities also make superb defensive picks

Turning to utilities, the one option for prospective investors to consider adding to their portfolio is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is one of the largest utilities on the continent with operations in Canada, the U.S., and the Caribbean. The ten operating regions that comprise Fortis represent a whopping \$57 billion in assets, including over 3.4 million utility customers. Fortis's business is 99% regulated, set out in long-term contracts.

This ensures that the company continues to generate its stable and recurring revenue stream. This factor alone makes Fortis the ultimate defensive stock for nearly any portfolio. Despite the obvious [defensive appeal](#), Fortis shouldn't be considered just during times of volatility. The company is always a great investment option, particularly for long-term investors.

Perhaps one of the most attractive aspects of Fortis as an investment is the company's quarterly dividend. Fortis proudly boasts 48 years of consecutive annual increases to its dividend. This also means that within two years, Fortis stands to become a true Dividend King with 50 years of consecutive increases.

In case you're wondering, there are no current Canadian Dividend Kings on the market. Fortis's current yield works out to an impressive 3.85%.

In times of volatility, invest wisely

One of the most important points for every investor to remember is that all investments come with risk. That point extends even to the two defensive stocks noted above. That said, both Fortis and BCE represent unique segments of the market that are both necessities and full of growth potential.

In my opinion, both stocks should be part of every well-diversified portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BCE (BCE Inc.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BCE (BCE Inc.)

4. TSX:FTS (Fortis Inc.)

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