



2 Top Defensive Stocks to Add Before Turbulence Hits

Description

This never-ending bull market has been great. Investors have looked to [growth stocks](#) for performance, almost entirely forgetting about the value defensive stocks and a diversified portfolio can provide. As Foolish investors, there's certainly the tendency to move up the risk spectrum in times like these.

Of course, staying disciplined isn't easy. However, in these rather frothy times, adding to one's exposure in defensive stocks could turn out to be a very solid move.

Here are two of my top picks in this regard.

Top defensive stocks: Nutrien

Looking at the stock chart of **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)), investors might make the mistake that they're looking at a growth stock. After all, Nutrien stock is up approximately 50% over the past year. That's not bad for investors looking to add some defensiveness to their portfolio.

Indeed, Nutrien is one of the defensive stocks I've been pounding the table on for a long time. A provider of potash and other minerals used as fertilizers, Nutrien's business model is extremely stable. As long as agricultural production continues to increase to keep up with population growth, investors stand to reap the benefits.

Now, a dependency on commodity prices can in and of itself be risky. This isn't a stock without risk. However, for those with a very long-term investing time horizon, Nutrien's built-in natural growth rate tied to population growth provides a very strong long-term catalyst.

My view is that commodity prices may actually not be exorbitantly high right now. Rather, prices have caught up to the longer-term trends already underway (and were therefore underpriced previously).

Accordingly, Nutrien is among the defensive stocks that I think provide real value right now. This company's [2.7% dividend yield](#) is simply the cherry on top.

Barrick Gold

As far as defensive stocks go, gold miners have to be right up there with the top stocks investors look at. And in this space, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) remains a top choice for many investors — for good reason.

This gold miner's reserves are among the largest in the world. Barrick is also one of the largest producers by volume, bringing in 4.8 million ounces in 2020 alone. This year, those numbers should be better, given Barrick's recent quarterly earnings results.

Rising gold prices have made Barrick's fundamentals much more attractive to long-term investors. Indeed, this is one of a growing group of defensive stocks that are seeing multiple expansion for the first time in a while. Accordingly, there may be some hesitancy to look at this stock right now.

I remain bullish on the prospects for gold. In this context, Barrick appears to be one defensive stock worth a look right now.

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Author

chrismacdonald

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