



Worried About a Market Correction? These 2 Stocks Are As Safe As They Come!

Description

As stock market volatility starts to heat up and the potential for a correction increases, it's time for investors to hope for the best situation but prepare for the worst.

Market corrections can play a significant role in helping to make or break your success when it comes to investing. However, in order to ensure you maximize the opportunity, you want to be prepared.

You should be making sure that you're ready to buy high-quality stocks at a discount, rather than selling the stocks, like your instincts might be telling you to. But you'll also want to make sure the stocks you do own are robust.

If you have several high-risk stocks in your portfolio, you may want to consider shoring up your portfolio with some of these Canadian stocks, which are as safe as they come.

You can't go wrong owning utility stocks

There might not be a better industry to invest in than [utility stocks](#) if you want a safe business that you can be confident owning through periods of increased volatility and market corrections. That's why a stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) could help play a significant role in your portfolio.

First off, one of the most significant reasons why these stocks are so safe is that the services that utility stocks offer are essential. Fortis has over two million customers who rely on it for access to electricity and another 1.3 million customers relying on it to get natural gas.

Regardless of the economic environment, Fortis hardly sees its sales fluctuate given that electricity and natural gas for heat are crucial. In addition, the industry is strongly regulated, which also helps to create some safety for investors. It also allows Fortis to offer low-risk growth, especially in its dividend. The Canadian utility stock has now increased its payout to investors for 48 straight years and currently yields over 3.8%

In addition, because Fortis's operations are so safe and reliable and investors know this about the

stock, it experiences much less volatility in a stock market correction than almost any other company you can invest in.

It's a business you can rely on that will continue to return passive income for your through thick and thin, and it should hold most of its value as the rest of the market sells off.

Consumer staple stocks are ideal during market corrections

Another highly defensive industry that you can be confident investing in during periods of heightened volatility is consumer staples.

Consumer staple stocks such as the **North West Company** ([TSX:NWC](#)) are an excellent choice for this current economic environment because it's an industry that will be less impacted by inflation or a market correction.

Just as heat and electricity are essential, so too are staples such as food and other essential goods. Therefore, not only can you count on these stocks if there is the risk of a market correction or possibly even a recession, but grocery stores can also pass along higher costs to these customers a lot more easily to mitigate the impacts of inflation.

In fact, the best retailers will be able to use strong merchandising to their advantage and could actually capture more margin as prices are increasing due to inflation.

And while many consumer staple stocks offer the same resiliency, North West is one of the best you can buy and hold for the long run. Just like Fortis, it's also a Dividend Aristocrat and currently yields upwards of 4.3%.

Moreover, in the last few years, the Canadian [dividend stock](#) has completed several initiatives to control its costs better and improve its margins.

So, in addition to being an ideal stock if you're worried about a market correction materializing, North West could also offer attractive long-term growth potential, making it one of the best investments you can make today.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)
3. TSX:NWC (The North West Company Inc.)

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