Worried About a Market Pullback? Buy These Defensive Stocks Today

Description

Global markets were pummeled on Friday, November 26, due to the emergence of the Omicron variant. Investors should brace themselves for more volatility, as the global community prepares to tackle this new challenge. Canadians who are worried about a market pullback may want to consider top defensive stocks in late November. Today, I want to look at two of the top options that qualify. Let's jump in.

Why you can still trust grocery retailers right now

Grocery retailers have been an appealing target since the beginning of the pandemic. These defensive stocks have looked even better as a hedge against surging inflation. **Empire Company** (TSX:EMP.A) is one of the top players in this space. It owns, affiliates, or franchises brands like IGA, Foodland, Farm Boy, and others. Shares of Empire have climbed 5.4% in 2021 as of close on November 26.

The company unveiled its second-quarter fiscal 2022 results on September 9. Sales increased $271 million year over year to $7.62 billion in Q2 FY2022. Meanwhile, gross profit jumped $63.6 million to $1.91 billion. Empire's Project Horizon growth plan has met with very strong success, and it predicts continued improvement in the second half of fiscal 2022.

Shares of this defensive stock possess a favourable price-to-earnings (P/E) ratio of 14. Empire last paid out a quarterly dividend of $0.15 per share. That represents a modest 1.6% yield. This is a stock worth snatching up in the face of a market pullback.

Here's a defensive stock to hold in the face of volatility

Alimentation Couche-Tard (TSX:ATD.B) is a Laval-based company that operates and licenses convenience stores around the world. Fool contributor Joey Frenette suggested this defensive stock for investors in late October. Shares of Alimentation have climbed 6.6% in the year-to-date period. However, the stock has plunged 8.7% week over week. This is a great stock to consider in the face ofa market pullback.

In Q1 fiscal 2022, adjusted net earnings fell marginally to $758 million, or $0.71 per share. However, total merchandise and services revenues increased 5.4% from the prior year to $4.1 billion. Its same-store merchandise revenues slipped in North America but achieved growth in all other international regions. Overall, it was a very solid quarter for the convenience store giant.

This defensive stock has an attractive P/E ratio of 15. It last bumped up its quarterly dividend to $0.11 per share, which represents a very modest 0.9% yield.

One more defensive stock to snag today

Waste Connections (TSX:WCN)(NYSE:WCN) is the third defensive stock I'd suggest investors snatch up after the recent market pullback. This company provides waste collection, transfer, disposal, and recycling services in the United States and Canada. Its shares have increased 31% in 2021 as of close on November 26. The stock has dropped 2.9% week over week.

The company released its third-quarter 2021 earnings on October 27. Revenue rose 14% year over year to $1.59 billion. Meanwhile, adjusted free cash flow jumped to $283 million over $240 million in the third quarter of 2020. Waste is not exciting, but this is an industry that is the very definition of essential and is set to grow along with the North American population. This defensive stock offers a quarterly dividend of $0.23 per share, representing a 0.6% yield.

CATEGORY

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