3 Defensive Stocks to Buy in December as the Stock Market Falls

Description

The **TSX** today continued to drop, as worries about related to supply-chain demand, inflation, and, of course, the spreading Omicron virus. The virus seems to be the variant that stole Christmas, and that includes both family gatherings *and* finances.

It's why many Motley Fool investors have been looking for defensive stocks as the market falls. And I don't blame you. So, with that in mind, here are three defensive stocks you can buy in December to keep your portfolio safe. Better still, these are companies that you'll want in your long-term portfolio as well.

Fortis

A top choice has to be **Fortis** (TSX:FTS)(NYSE:FTS). The utility industry hasn't been affected by oil and gas prices, supply chain issues, production problems, or anything else. Instead, companies like Fortis continue to pump out revenue, mainly experiencing issues only during a lockdown or outbreak. Fortis rebounded from the lows after the market crash of March 2020. It now remains one of the few defensive stocks doing incredibly well, as the market crashes around it.

While the TSX today is down around 6% from 52-week highs, Fortis is trading at its 52-week highs. In fact, it's up 18% year to date, making a huge jump of 9% in the last few weeks, as the market turned downwards. Fortis offers investors a 3.52% dividend yield that's been increased every year for almost 50 years. And it trades at a reasonable 23.07 times earnings. So, this is one of the defensive stocks I'd pick up and hold for life.

Dream Industrial

Another area investors continue to flock to on the TSX today are real estate investment trusts (REITs). But you have to be careful. Office REITs promised a substantial rebound after the pandemic. But we're still in it, with the Omicron variant causing many to retreat to working from home.

With that in mind, **Dream Industrial REIT** (TSX:DIR.UN) offers an REIT that will never waiver. It owns industrial properties, giving investors exposure to e-commerce. Industrial properties store and ship out products for many e-commerce companies, and Dream is included in that list.

So, again, unless there was a lockdown or outbreak, Dream looks like it will continue to be one of the top defensive stocks during this December. It currently has a 4.25% dividend yield and trades at a valuable 7.05 times earnings. Shares are up 28% year to date, with analysts giving it a target price of $19.22. That's a potential upside of 15% as of writing.

Nutrien

Finally, consumer staples are an area that will continue to be a must have in any environment. **Nutrien** (TSX:NTR)(NYSE:NTR) is a prime example of this. Production dropped during the pandemic, and many places in the world experienced wildfires, mud slides, floods, and more. This wiped out farm fields, leaving farmers with the need to put nutrients back in the soil.

Nutrien has cornered the market when it comes to crop nutrients. Not just in North America, but around the world. It continues to grow through acquisitions and used the pandemic to increase its e-commerce business. Sales continue to skyrocket, with shares climbing higher and higher this year.

Nutrien is one of the top defensive stocks offering a 2.5% dividend yield, valuable 18 P/E ratio, and potential upside of 12% to reach its target price. There's really no better long-term stock than this.

CATEGORY

1. Coronavirus
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2. NYSE:NTR (Nutrien)
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4. TSX:FTS (Fortis Inc.)
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