



2 Recession-Proof Canadian Stocks to Fight Rising Volatility

Description

The surging number of Omicron variant cases worldwide and increasing pressure from rising inflation rates have taken a toll on equity markets for several weeks. At writing, the **S&P/TSX Composite Index** is down by over 5% from its latest all-time high on November 12, 2021.

These conditions are weighing down the equity markets, and you might be feeling the impact of market volatility. [If you are worried about a market downturn](#), it is crucial to strengthen your portfolio by investing in companies that can continue delivering stable cash flows through harsh economic environments.

Today, I will discuss two such [recession-proof stocks](#) that you could consider adding to your portfolio.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is one of the top recession-proof Canadian stocks that you could add to your portfolio if you're worried about your investment returns. Canadian Utilities is a \$9.80 billion market capitalization utility business headquartered in Calgary. It is also a Canadian Dividend Aristocrat with the longest dividend-growth streak of 49 years — the longest among all TSX stocks.

The company offers natural gas and electricity to over two million customers, generating a significant portion of its revenue through low-risk utility businesses. It means that the company's cash flows are stable and predictable, allowing its management to raise its shareholder dividends comfortably. At writing, the stock is trading for \$36.42 per share, and it boasts a juicy 4.83% dividend yield.

Waste Connections

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is another non-cyclical stock that could be an ideal addition to your portfolio if you are looking for recession-proof Canadian stocks. Waste Connections is a \$43.34 billion market capitalization solid-waste collection company headquartered in Ontario. The company is one of the largest service providers collecting, transferring, and disposing of non-

hazardous solid wastes.

Regardless of what happens in the economy, everyone relies on companies like Waste Connections to provide waste collection services. The company operates in lesser competitive markets, and its disposal sites are closer to waste-generating sources. It means that Waste Connections enjoys significant profit margins.

At writing, Waste Connections stock is trading for \$166.34 per share, and it boasts a 0.69% dividend yield that you could lock into your portfolio today.

Foolish takeaway

Non-cyclical companies that can offer [reliable and stable cash flows](#), even during economic downturns, are typically considered safe bets for investors. Identifying and investing in the right TSX stocks for this purpose can help you strengthen your investment portfolio and mitigate the losses you might face during this time.

Canadian Utilities stock and Waste Connections stock are two assets that could be ideal additions to your portfolio to protect your investment capital and continue enjoying investment returns during volatile market conditions.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:WCN (Waste Connections)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:WCN (Waste Connections)

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