The Best Defensive Stocks to Buy Today

Description

The **S&P/TSX Composite Index** fell 71 points to close out 2021 on December 31. Canadian and global stocks were hit hard in the beginning of December, as investors were anxious about the Omicron COVID-19 variant. Markets managed to rebound in the second half of the month, but those anxieties have not been quelled. On the contrary, Canada has seen rising case counts and looks to be heading in the direction of more restrictions in the weeks ahead. Today, I want to look at some of the best defensive stocks to hold in this uncertain environment.

This is still a top defensive stock to own in 2022

Emera (TSX:EMA) is a Halifax-based energy and services company that engages in the generation, transmission, and distribution of electricity. Shares of this defensive stock climbed 17% in 2021. Investors on the hunt for a dependable defensive stock should consider Emera to kick off the new year.

The company released its third-quarter 2021 earnings on November 10. In the year-to-date period, adjusted earnings per share increased 12% from 2020 to $2.17. Emera benefited from lower corporate interest expense, an improved earnings contribution from its EES and PGS segments and realized gains on foreign exchange hedges. Meanwhile, it aims to bolster its rate base with a $7.4 billion capital investment plan from 2021 through to 2023.

Shares of this defensive stock last had a price-to-earnings (P/E) ratio of 34, which puts Emera in solid value territory compared to its industry peers. It last increased its quarterly dividend to $0.662 per share, which represents a 4.1% yield.

Why Rogers looks like a great stock to buy on the dip

Rogers Communications (TSX:RCI.B)(NYSE:RCI) is one of the top telecommunications companiesin Canada. It encountered volatility in late 2021 due to an internal power struggle. However, investors should be taking another look at this defensive stock, as its leadership has stabilized. Shares ofRogers dropped marginally in 2021.

Investors can expect to see Rogers's fourth-quarter and full-year 2021 results in late January. In Q3 2021, the company saw its Media division return to a positive adjusted EBITDA of $33 million. However, the rise of the Omicron COVID-19 variant may again threaten its bottom line, as the National Hockey League (NHL) is struggling to adjust to rising case counts. Meanwhile, Cable revenue and adjusted EBITDA increased 3% and 2%, respectively, from the prior year.

This defensive stock possesses a favourable P/E ratio of 19. Rogers offers a quarterly dividend of $0.50 per share, which represents a 3.3% yield.

One more defensive stock to snag right now

I'd suggested that investors snatch up grocery stocks during the 2020 stock market pullback. **Empire** (TSX:EMP.A) is one of the top food retailers in the country. Food prices are set to rise again in 2022, as inflation creeps up, which has powered revenue gains for grocery retailers. Empire and its peers make great defensive stocks right now.

Shares of Empire increased 9.2% in 2021. In Q2 fiscal 2022, the company delivered earnings per share of $0.66 compared to $0.60 in the previous year. Meanwhile, free cash flow grew 72% from the prior year to $129 million. This defensive stock last had an attractive P/E ratio of 14. It offers a quarterly dividend of $0.15 per share. That represents a modest 1.5% yield.

CATEGORY

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3. TSX:EMP.A (Empire Company Limited)
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