



Recession Proof Your Portfolio With 3 Consumer-Defensive Stocks

Description

The prediction of many experts that Canada will experience a longer period of high inflation in 2022 is [cause for concern](#). Investors in particular are worried because rising prices will erode the value of investments.

Fortunately, the TSX has [dividend-paying](#), consumer-defensive stocks that will thrive in recessionary and inflationary climates. **Rogers Sugar** ([TSX:RSI](#)), **North West Company** ([TSX:NWC](#)), and **Primo Water** ([TSX:PRMW](#))([NYSE:PRMW](#)) are your best bets to recession-proof your portfolio or [combat inflation](#).

Consumer staple

Rogers Sugar needs no deep evaluation, because sugar is a consumer staple. The product will sell regardless of the state of the economy. Also, the \$627.31 million sugar producer tend to generate more profits during weak economies.

The share price (\$5.96) is relatively cheap, but the dividend yield (6.03%) is fantastic. Given the attributes, price, and yield, this consumer-defensive stock is suitable for income seekers, millennials, and retirees.

In fiscal 2021, Rogers's top and bottom lines increased 3.85% and 34.19% versus fiscal 2020. Mike Walton, president and CEO of Rogers and Lantic Inc., noted that the company met its volume targets (sugar and maple) in Q4 fiscal 2021. Management anticipates improved financial performance in fiscal 2022 if operating conditions and the traditional sales mix go back to normal.

Captured markets

North West is pretty much like Rogers Sugar, because it has a captured market in remote communities. This \$1.72 billion company is the leading food retailer, provider of everyday products, and general merchandise to people in rural communities and urban neighborhoods. The markets are in

Canada's far North, Alaska, the South Pacific, and the Caribbean.

The retail monopoly North West enjoys reflect in the stock's historical performance. In the last 31.29 years, the total return of this consumer-defensive stock is an incredible 60,522.64% (22.72% CAGR). As of January 5, 2021, the share price is \$34.49, while the dividend yield is 4.29%.

Dan McConnell, North West's president and CEO, said, "Our priority remains to provide a safe shopping environment and adapting to inflationary pressures and the impact of pandemic-related global supply chain disruptions."

Pure-play water company

Primo Water is obscure and flies under the radar. The \$3.47 billion company is a pure-play water solutions provider based in Tampa, Florida. Its market reach is North America and Europe. Apart from providing customers access to purified, spring, and mineral water, Primo helps in reducing plastic waste and pollution.

Tom Harrington, Primo's CEO, said, "Our pure-play water model continues to drive higher demand for our products and services." He added the company is moving towards the next phase of its transformation as a pure-play water company and ESG leader.

Primo Water started 2022 with a buying spree. Its wholly owned subsidiary, Primo Water North America (PWNA), acquired Clear Mountain Refreshment Services (Arkansas) and the distributor business of Mountain Valley (Texas). The company also acquired Sip-Well NV, the leading distributor of water solutions in Belgium.

This consumer-defensive stock trades at \$22.32 per share and pays a 1.38% dividend. Management announced late last year a multi-year step-up in dividend payouts from 2022 to 2024. It translates to a 15% CAGR per year.

Constant demand

The demand for the products or services of Rogers Sugar, North West Company, and Primo Water are constant, because they are essential. Furthermore, the dividends from the stocks could help investors cope with inflation.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:PRMW (Primo Water)
2. TSX:NWC (The North West Company Inc.)
3. TSX:PRMW (Primo Water)
4. TSX:RSI (Rogers Sugar Inc.)

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