Market Pullback 2022: 2 Defensive Stocks to Buy Today

Description

2021 was an overall stellar year for the stock market. The **S&P/TSX Composite Index** posted considerable gains through most of the year, but the arrival of another COVID-19 variant threw things into flux towards the last few weeks.

The start of December brought the Omicron variant, and investors scrambled to safety with their money due to the anxiety caused by the new variant. Stock markets worldwide did manage to push upwards again, as December started making way for 2022, but the uncertainty caused by the Omicron variant is still there.

Cases have been rising worldwide, and Canada might be looking at a few more restrictions in the coming weeks. Planning for a market correction would be the best way to proceed in these uncertain times.

Today, I will discuss two defensive stocks that you can consider holding during uncertain market environments like these.

Empire Company

Empire Company (TSX:EMP.A) is a $10.22 billion market capitalization Canadian conglomerate primarily operating in food retail that is headquartered in Stellarton. It is effectively one of the top food retailers in the country, and it could be an excellent stock to consider adding to your portfolio during the current environment. Food prices, along with everything else, are expected to rise significantly this year due to rising inflation rates.

Higher prices on its primary revenue source mean potentially greater profit margins for the company. In a market environment where rising prices could negatively affect investor returns across most sectors, Empire stock could provide you with some resistance as a part of your portfolio. At writing, the defensive stock is trading for $38.44 per share, and it boasts a 1.56% dividend yield.

Rogers Communications

Rogers Communications (TSX:RCI.B)(NYSE:RCI) and its peers in the telecom industry enjoy a strong position in the economy due to the services they provide. Regardless of what happens in the economy, people will need to remain connected, and telecoms like Rogers Communications play a critical role in ensuring that.

Rogers Communication is a $31.11 billion market capitalization telco headquartered in Toronto. An internal power struggle within the company resulted in volatility in its price movements late in 2021, but investors should not count this defensive stock out. At writing, Rogers Communications stock is trading for $61.78 per share, and it boasts a 3.24% dividend yield.

Foolish takeaway

Investing in defensive assets during uncertain periods in the market can protect your investment capital from significant losses if a market correction occurs. The situation with the new variant is still developing, as the world learns more about the new and more contagious form of the COVID-19 virus.

Depending on how the situation develops, there is a possibility of a significant downturn. Investing in defensive assets like Empire Company stock and Rogers Communications stock could provide you with a degree of protection against any volatility ahead.

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1. Dividend Stocks
2. Investing

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3. TSX:RCI.B (Rogers Communications Inc.)

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