



Fortis (TSX:FTS): A Boring Stock That'll Have Your Back in a Bear Market

Description

The stock market is starting to show some signs of [fragility](#), with the S&P 500 dipping into a [correction](#), while the tech-heavy Nasdaq 100 continues to heal from its temporary plunge into a bear market (that's a 20% drop). Indeed, tech has been punished severely and eventually; it will end. But it's hard to say when it will end for such "sexy" plays that led the markets higher for nearly two years after stocks bounced sharply from the coronavirus-driven 2020 stock market crash. Here we are in 2022, and COVID is still an issue.

With a war going on in Ukraine, high levels of inflation, and Fed rate hikes on the way, it's really hard to be nearly as bullish. Not with many growth stocks down well over 70% from their highs. Indeed, the market environment seems to rhyme with that of the 2000 dot-com bust and the painful inflation-ridden bear market of the 1970s.

Risks are mounting

The recent boom in oil and the downturn in growth stocks are giving investors a painful reminder that bear markets can happen. Indeed, valuations got stretched, and sentiment has taken a 180-degree reversal on the back of two terrible black swan events. In a worst-case scenario, things could get terrible. But, like the 1970s, we will make it through these difficult times. And it's long-term thinkers (10-year horizons) that can shrug off the pain en route to higher levels. If you're such a long-term investor, don't panic.

If anything, you should continue as planned. For many new investors who chased in 2020 and 2021, it's not too late to improve upon your diversification. If you diversified properly, the recent correction would not have been nearly as painful. In this piece, we'll look at one of the best boring stocks that I'd buy right here, as the S&P 500 continues lower, potentially putting bear market territory to the test.

Fortis: Build to thrive in tough times

Fortis ([TSX:FTS](#))([NYSE:FTS](#)) is incredibly boring, but it's boring that you should be proactively

seeking out in a choppy environment like this. It's nice to hope for the best, but it's always wise to be prepared for a continuation of the hailstorm we've seen. The first quarter of 2022 has been brutal.

Is that a sign of what's to come for the rest of the year? Perhaps. With Fortis, you'll sleep easy, though, as the cash flows are less impacted by things going on at the macro level. You'll get your quarterly dividend payout and a good amount of growth annually. You won't get rich. But today, the goal should not be to continue chasing quick riches. It should be to preserve wealth and grow it in the face of intensifying risks. In that regard, Fortis is a brilliant stock to own, even as shares flirt with new highs. The 3.6% dividend yield is worth picking up right here. And despite broader market volatility, I think shares are poised to continue roaring, as it marches forward in its own bull market.

Bottom line for Foolish investors

Fortis stock isn't going to enrich you overnight. It can help you on your journey to obtaining real returns in a year where real returns could be hard to come by. Remember, solid gains for a low magnitude of risk are arguably as good as, if not better than a battered growth stock that could go either way. Indeed, Fortis stock is the ultimate risk-off play to play defence.

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