



2 Defensive Stocks for Conservative Investors to Buy Right Now

Description

Interest rates have officially risen. The Russian invasion of Ukraine is still ongoing. And rising inflation and other macro factors continue to provide investors with some serious uncertainty right now. For those looking for defensive stocks, this can be a very difficult time to invest.

That's partly because many defensive stocks have seen their valuations grow, as investors rotate away from risk. Indeed, buying a company to hedge against risk loses its attractiveness, if the price of the hedge increases dramatically.

That said, there are still some great defensive stocks with tremendous [value](#) worth considering right now. Two such options I think are excellent defensive picks are **Agnico Eagle** ([TSX:AEM](#))([NYSE:AEM](#)) and **Algonquin Power** ([TSX:AQN](#))([NYSE:AQN](#)).

Here's why.

Top defensive stocks: Agnico Eagle

Agnico Eagle is a gold miner that operates mines in Finland, Canada, and Mexico. This company is also the owner of 50% of Canadian Malartic mine.

Less than a month ago, this organization posted fourth-quarter and full-year 2021 operating and financial results. Agnico Eagle provided strong future operating guidance and announced senior management changes.

Despite pandemic impacts, the gold miner reported solid quarterly production. The company's gold production in Q4 2021 stood at 501,227 ounces. That's impressive, considering this was the company's fifth consecutive quarter of production above 500,000 ounces. Given where the price of gold is right now, investors can do the math on the revenue Agnico Eagle is bringing in.

The company's acquisition of Kirkland Lake Gold should boost these numbers further. And on top of all this, the company delivered its best safety performance in its 64-year history.

Overall, I think the risk profile of Agnico Eagle's core business model is among the lowest of its peers. As Agnico Eagle continues to invest in growing its production over time, there's a lot to like on the growth side of the spectrum as well. Of course, gold is about as defensive an asset as investors can hold, making Agnico Eagle a great hedge against inflation and rising uncertainty in the market right now.

Algonquin Power

Algonquin Power operates regulated renewable power-generating facilities and low-risk utility assets. This company's very defensive core business model is one of the key reasons I've continued to be bullish on this stock. Investors can predict with relative certainty what Algonquin is likely to produce in terms of cash flows over the medium term.

The company's recent strong quarterly results furthers my confidence in this company. Algonquin delivered strong Q4 performance, outperforming the expectations of analysts.

Algonquin's adjusted EPS stood in line with the forecasts, while its revenue witnessed a 21% growth on a year-over-year basis. Also, Algonquin's adjusted EBITDA rose by 18%. The solid performance from both its renewable energy and regulated services group drove these strong earnings.

In particular, the company's regulated services group saw its operating income rise by 18%. The major factors driving the financials were the contributions from projects that were put into service in 2021. Another factor playing a role here was the favourable rate revisions that some of the organization's facilities witnessed.

Overall, both companies provide the sort of defensive growth upside many investors are looking for right now. In my view, both stocks are quality additions to any portfolio today.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:AEM (Agnico Eagle Mines Limited)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. TSX:AEM (Agnico Eagle Mines Limited)
4. TSX:AQN (Algonquin Power & Utilities Corp.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Dividend Stocks
2. Investing

Date

2025/07/19

Date Created

2022/03/17

Author

chrismacdonald

default watermark

default watermark