



3 Stocks to Hold During a Volatile Market

Description

Through much of this year, the stock market has been very volatile. As a result, many investors have started to question the positions they hold in their portfolios. I believe investors should do their best to stomach this volatility. However, it wouldn't be a bad idea to think about what kinds of stocks would be best to hold during times like this. In this article, I'll discuss three stocks you should consider holding during a volatile market.

Which stocks could prosper in this environment?

The first question investors should ask is, "What's causing this volatility?" Although there could be more than one correct answer, investors should be able to identify at least one of these drivers. For instance, interest rate hikes may be contributing to the current market volatility. Historically, bank stocks have performed very well in high-interest environments. Because of this, I believe investors should consider adding bank stocks to their portfolio.

Of the Big Five Canadian banks, **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is my top pick. The company has a very diversified business, which could help it withstand prolonged periods of economic uncertainty. It's also an excellent [dividend stock](#), which makes it even more attractive during turbulent market periods. If you're looking for one stock to add to your portfolio today, I would suggest considering Bank of Nova Scotia.

Buy utility stocks

Investors should also consider buying shares of utility stocks. What's appealing about these companies is that they receive a very stable source of revenue. Because utility companies receive payments on a monthly basis, investors won't have to worry about tracking changes on a quarter-to-quarter basis. If I had to pick one utility stock to hold in my portfolio, I would choose **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Like Bank of Nova Scotia, Fortis is an excellent dividend stock. It has managed to [increase its dividend](#) distribution in each of the past 47 years. That gives Fortis the second-longest active dividend-growth

streak in Canada. This company operates in Canada, the United States, and the Caribbean. As long as the inhabitants of those countries continue to use gas and electric utilities, Fortis *should* be a reliable stock to hold in your portfolio.

Look for other recession-proof companies

The utility industry is known for hosting many recession-proof companies. These are defined as companies that don't tend to see any major disruptions during recessions. However, there are many other areas that host companies with that same characteristic. For example, consider **Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)).

A solid waste services company, Waste Connections should continue to be relied upon regardless of what the economy looks like. Another great dividend stock, Waste Connections has managed to increase its dividend in each of the past 11 years. Importantly, Waste Connections maintains a dividend-payout ratio of 35.7%. That suggests that the company could continue to comfortably increase its dividend over the coming years.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:WCN (Waste Connections)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:FTS (Fortis Inc.)
6. TSX:WCN (Waste Connections)

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