3 Perfect TSX Stocks to Fight Off Recession Fears

Description

Motley Fool investors should know there's no such thing as a *perfect* stock. But when it comes to the **TSX** today, there is so much risk. What you want are to find companies with low risk and that won't all of a sudden collapse.

And many companies could collapse in the coming months. Should a recession happen, shares of companies across the board could fall. It's already happened with riskier industries like tech, never mind something like cannabis. Today, I'm going to focus on three TSX stocks that will help ease your mind over a potential recession.

Suncor Energy

Suncor Energy (TSX:SU)(NYSE:SU) is a solid company for those looking to see gains from the rebound in the oil and gas sector as well as solid passive income. And I do mean solid. The company slashed it back in February 2020. Since then, it's been slowly climbing back up, creating both passive income and growth.

Furthermore, the company has been doing well compared to TSX stocks when it comes to investing its cash. It currently has a debt-to-equity (D/E) ratio of just 0.56. It trades at 11.74 times earnings and offers a 3.69% dividend yield. Shares are up 58% year to date, almost reaching heights not seen since 2018.

CGI Group

Tech stocks in general have no fared well among TSX stocks, but not all of them should be off your buy list. While you won't see a dividend come in from **CGI Group** (TSX:GIB.A)(NYSE:GIB), it offers stable growth. That growth has come from acquiring software companies in a strategy that is jaw dropping in its precision.

CGI stock currently has a strong balance sheet, offering a D/E ratio of just 0.65. The downside is it trades at 17.01 times earnings. But still, compared to other tech stocks that is still within value territory. Further, analysts peg it at a huge rebound, with a potential upside of about 26% as of writing.

Teck Resources

If you want to get into something that will practically always recover, its materials and construction TSX stocks. We will always need to build things, and usually after a recession, there is a boom in this industry. Supply-chain demands have been hurting it, but a recession and inflation has brought it back down to reality. That leaves an opportunity open for long-term holders.

That's why I like **Teck Resources** (TSX:TECK.B)(NYSE:TECK). The company explores, produces, and develops mining in industrial products and materials such as steal, copper, and silver. These will see especially strong growth in the next decade, as much of this will be needed with the transition to renewable energy.

What's more, Teck stock offers a D/E ratio of 0.39, and a P/E ratio of 6.89, putting it well within value territory and enough to cover itself during a potential recession. It offers a slight dividend at 0.98%, but that's better than $0! Shares are also up 42% year to date.

Bottom line

These TSX stocks may not be the most exciting, but they are some of the most stable out there. Furthermore, each has actually seen gains this year compared to many others that continue to drop. So, if you want safety and stability with the potential for superb growth out of the recession, consider these three TSX stocks today.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:GIB (CGI Group Inc.)
2. NYSE:SU (Suncor Energy Inc.)
3. NYSE:TECK (Teck Resources Limited)
4. TSX:GIB.A (CGI)
5. TSX:SU (Suncor Energy Inc.)
6. TSX:TECK.B (Teck Resources Limited)

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. alegatewolfe
2. kduncombe

Category

1. Investing
2. Stocks for Beginners

Date
2025/07/19
Date Created
2022/06/17
Author
alegatewolfe