3 TSX Stocks Trading Close to Their Record Highs as Markets Hit New Lows

Description

This has been quite an action-packed week. Rising rates and growing recession worries weighed on markets this week, pushing stocks to their 52-week lows. However, some Canadian stocks are defying these pressures and are still trading close to their all-time highs.

Many TSX energy stocks are trading close to their record highs. However, they have a high correlation with oil and gas prices. However, the stocks discussed below have little or no correlation with broader markets. Thus, they are well placed for a potential economic downturn.

So, is it time to place your bets on these winners amid the market correction? Let's see.

Dollarama

The Canadian discount retailer stock **Dollarama** (TSX:DOL) is 8% short of its record highs. The stock has gained a decent 15% this year and has shown immense resilience all this while. Notably, DOL stock outperformed broader markets during the pandemic crash as well.

Dollarama has a massive presence in Canada, and it operates 1,431 stores. This gives it an important competitive advantage over peers along with scale. Moreover, consumers prefer value amid inflationary environments, where Dollarama offers an unmatched proposition.

Its healthy financial growth in the long term indicates resilience in almost all economic cycles. Thus, its safe-haven appeal will likely keep driving the stock higher, even if the economy turns uglier from here.

Intact Financial

Canada's biggest property and casualty insurer **Intact Financial** (TSX:IFC) is another stock that has stood tall amid the recent market correction. This year, it has gained 5% and is 8% away from its record highs. In comparison, the **TSX Composite Index** has lost 15% from its all-time high levels.

Intact has a 21% market share in P&C insurance in Canada. Its scale provides a natural competitive advantage over peers. In addition, it has seen above-average financial growth for the last several years due to its strong underwriting and in-house claim settlement expertise.

IFC stock also pays stable dividends that currently yield 2.3%. Though it is not among the juiciest of yields, Intact has increased shareholder payouts since 2005, indicating earnings stability.

Stocks like Intact might not offer steep growth opportunities, but it offers stability during troubling times.

Canadian Utilities

Investors perceive **Canadian Utilities** (TSX:CU) stock as boring because of its slow-moving nature. However, CU stock has outperformed in the recent market turmoil. So far, CU stock has gained 5%, while TSX stocks at large have lost 11% in 2022.

Canadian Utilities have fair revenue visibility due to its regulated nature of business. As a result, it has grown steadily, even during recessions and during economic booms. That’s why it has consistently increased shareholder dividends every year for the last five decades.

It yields nearly 5%, higher than peers. Such juicy dividends will be more valuable amid falling markets.

CU is not the kind of stock that will make you rich overnight. However, for those who seek stable returns with relatively lower risk, CU is an apt bet.

CATEGORY

1. Investing
2. Stocks for Beginners

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2. TSX:DOL (Dollarama Inc.)
3. TSX:IFC (Intact Financial Corporation)

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