

## 3 Companies to Protect Your Portfolio From a Recession to Buy Now

### Description

Recession-proof stocks don't exist. No matter how financially resilient and evergreen the underlying business is, stocks experience a dip thanks to the weight of the market pulling them down. However, investors can consider stocks that don't fall as hard as others and offer sure and swift recoveries.

There are three such stocks that should be on your radar right now.

### A utility company

The utility sector is an evergreen, healthy business. But not all utility businesses are the same. Take **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) as an example. The company combines both power generation and utility (distribution), so its assets are spread out over the entire spectrum of the electricity business.

Power generation is a stable enough business on its own, and since Algonquin focuses quite heavily on renewables, it's a significantly more attractive business that is expected to become even more relevant in the future.

Algonquin offers a powerful combination of dividends and capital-appreciation potential. However, the stock has mostly been cyclical since the 2020 crash. It may resume its linear growth pattern, making it a powerful long-term holding capable of withstanding harsh market conditions.

### A solid waste management company

**Waste Connections** ([TSX:WCN](#))([NYSE:WCN](#)) is one of the largest private companies in the waste collection space — not just in North America but globally. The company has a massive operational range and caters to an extensive clientele in Canada and the United States. The primary business is the residential waste collection, but it also caters to commercial clients. A diverse service portfolio is also an important asset.

It's also a powerfully resilient stock. After the 2020 crash, it took the stock only a bit over six months to fully recover. But it's not just its history; it's also the business model. As an essential service company, Waste Connection is safe from adverse market conditions in nearly the same way as utility companies are. It also offers a dividend, but the yield is never attractive enough.

### A consumer staple company

Another powerful holding you may consider to take you through the treacherous waters of recession is **Metro** ([TSX:MRU](#)). Not only does it have an impressive network, but it also has the business built around two evergreen and forever-in-demand things: food and medicine.

The 950 food stores and 650 drug stores that cover an impressive geographic reach within the country give it a strong market penetration edge.

The stock recovered after the 2020 crash and reached its pre-pandemic value well before the year-end. It's an established aristocrat, but the capital-appreciation potential attracts most investors to this stock. In the last decade, the stock has risen roughly around 300%, and if you add in the dividend, the total returns are substantially higher.

## Foolish takeaway

The current [market pullback](#) is not on the 2020 level, let alone the Great Recession level. However, we don't know when it will reach its bottom. And if you plan on buying these stocks for their resilience against inflation, you can still take advantage of the recession-driven market crash and the discounts that come with it.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:WCN (Waste Connections)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:MRU (Metro Inc.)
5. TSX:WCN (Waste Connections)

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