



3 Defensive Stocks for Your TFSA

Description

The volatility we've seen on the market in 2022 has spooked some investors. Fortunately, there's another way to look at the market downturn that could prove profitable for your [TFSA](#). Specifically, some stellar stocks are on sale right now. Here are three stocks for your TFSA that have massive long-term potential.

First off, why buy now?

With nearly the entire market in retreat during 2022, it's a great time to pick up stocks at a huge discount. That being said, not all stocks are great buys at this particular moment in time. The market could and likely will retreat a bit further before resuming a path to growth.

For that reason, finding the right mix of income and growth stocks that also have some defensive appeal is key. In fact, some stocks actually thrive during a market slowdown, making them even more appealing.

The first such stock is **Canadian Utilities** ([TSX:CU](#)). Utility stocks are superb long-term investments for a few reasons. Not only do they boast a predictable revenue stream, but they also provide a necessity to us.

In the case of Canadian Utilities, that stable revenue stream stems overwhelmingly from regulated, long-term contracts. In other words, there's some massive defensive appeal that comes from investing in Canadian Utilities. This factor alone should bring some solace to those risk-averse investors looking to your TFSA.

Oh, and let's not forget the income potential that comes with Canadian Utilities. Canadian Utilities is the only Dividend King in Canada. This means that Canadian Utilities has provided investors with an annual dividend hike for a whopping 50 consecutive years.

Currently, that dividend works out to an impressive 4.41% yield.

A great defensive option for your TFSA

While telecoms are great defensive options, they aren't the only type of stocks for your TFSA. Another underrated area to look at is Canada's big telecoms. Specifically, I'm talking about **BCE** ([TSX:BCE](#))([NYSE:BCE](#)).

Telecoms such as BCE have become more defensive since the pandemic started. With more of us working and studying remotely than ever before, the need for fast and reliable internet service has never been greater.

Outside of its core subscription business, BCE also boasts a massive media segment. Collectively, both segments provide ample revenue to invest in growth and provide investors with a tasty quarterly dividend.

That dividend currently works out a mouth-watering 5.80% yield, making it one of the better-paying yields on the market. If that weren't enough to add BCE as one of the stocks for your TFSA, prospective investors, there's still more.

BCE has paid out dividends without fail for over a century and provided generous annual upticks to that dividend for over a decade.

In other words, BCE is one of the great defensive stocks for your TFSA and will continue to be a great option for years to come.

Stocks for your TFSA: What about growth?

Both Canadian Utilities and BCE are great defensive picks with superb income-earning potential. This final pick is more focused on long-term growth.

Alimentation Couche-Tard ([TSX:ATD](#)) is one of the largest convenience store and gas station operators on the planet. The company has a dizzying portfolio of operations that spans over a dozen countries with over 15,000 locations.

Convenience stores are often overlooked as investments. Part of the reason for that is that we rarely see them as actual destinations, but rather as stops on the way to a destination. That potential adds up over time. Long-term investors in Couche-Tard are up nearly 70% over the trailing five-year period.

Over that time Couche-Tard has taken an aggressive stance on expansion. The company has acquired and integrated a growing number of smaller operations, expanding its massive footprint.

Speaking of growth, Couche-Tard has started to roll out an EV charging network in North America. The company is targeting 200 sites across the U.S. over the next two years. Couche-Tard already has an established network of over 1,000 chargers in Europe. This will continue to drive growth for years.

As a defensive investment, Couche-Tard remains a stellar pick for any well-diversified portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CU (Canadian Utilities Limited)

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