



I'm Buying These 3 Resilient Stocks During a Bear Market

Description

A [bear market](#) is how we typically describe market conditions when stock prices fall 20% from recent highs. Many investors fear bear markets because their portfolios tend to lose money in those scenarios. However, I don't think it's anything to really fear.

On average, stocks tend to lose more than 30% during bear markets. This compares to a more than 100% average gain during bull markets. In addition, bear markets tend to be relatively short-lived. The average bear market tends to last about 10 months. Bull markets, by comparison, tend to have an average length of nearly three years.

If those statistics aren't enough to put you at ease, then keep in mind that not all stocks are affected by bear markets equally. There are some stocks that show a lot of resilience during those times. In this article, I'll discuss three stocks that I would buy during a bear market.

This stock has generated a lot of returns over the past year

Over the past year, the **S&P/TSX** has dropped by about 0.59%. This loss in value would be even higher if it weren't for a strong rally of more than 9% over the past month. With that very weak performance in mind, **Canadian National Railway** ([TSX:CNR](#))([NYSE:CNI](#)) seems like a gem of a stock right now. This company may be one of the most recognizable brands in Canada due to its large reach. However, investors should start recognizing it as a tremendous stock as well.

Over the past year, Canadian National stock has gained nearly 23%. That's the sort of performance that investors should be expecting during a bull market and not at the end of a recent bear market. In addition to that strong performance, Canadian National is a solid dividend stock. Having increased its dividend in each of the past 25 years, it's one of only 11 TSX-listed stocks to surpass that milestone. This is a simple company with a proven history of success. Investors should consider Canadian National during any bull market.

A recession-resistant stock to buy during bear markets

When bear markets occur, it's usually driven by the state of the economy. Perhaps interest rates rise or, in some of the worst cases, we could be in a recession. If it's the latter, investors still shouldn't be too worried. This is because recession-resistant companies exist. Take **Metro** ([TSX:MRU](#)) for example. This company operates grocery and drugstore locations across Ontario, Quebec, and New Brunswick. Because of the nature of its business, it could be one of the last companies to feel the full effects of a recession.

Investors can see that Metro stock has still found success over the past year, gaining nearly 15%, despite the weaker market conditions. In [the third quarter of 2022](#), Metro reported a year-over-year increase of 2.5% in its quarterly revenue. That's very promising considering that consumer spending is down this year. Another excellent dividend stock, Metro has increased its distribution in each of the past 26 years.

This company's business is essential today

Finally, investors should consider **Telus** ([TSX:T](#))([NYSE:TU](#)) stock during a bear market. This company operates the largest telecom network in Canada. Considering how essential phone and internet connections are in today's society, I have a hard time seeing Telus struggle during a bear market.

From April to June of this year, Telus stock dropped about 20%. However, despite that tough stretch, the stock has still managed to outperform the broader market over the past year, gaining 5.5%. Like Canadian National and Metro, Telus is another excellent dividend stock. It has raised its distribution in each of the past 17 years.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. NYSE:TU (TELUS)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:MRU (Metro Inc.)
5. TSX:T (TELUS)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise

8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jedlloren
2. kduncombe

Category

1. Investing

Date

2025/06/28

Date Created

2022/08/18

Author

jedlloren

default watermark

default watermark