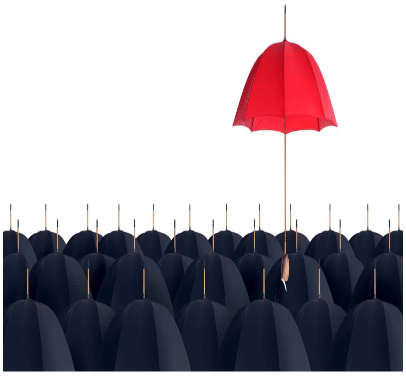

3 of the Best Stocks You Can Buy That Have Weathered Several Recessions

Description

All throughout the year, Canadian investors have unsurprisingly been looking to add defence to their portfolios. So, it's no surprise that some of the best stocks to buy are safe and reliable businesses.

Of course, we want to find companies that have strong balance sheets, solid operations, and long-term growth potential. But we also want to find stocks in industries that sell essential goods or services.

In addition to looking for these highly robust companies, another way to gain confidence and ensure they can protect your capital is to look at their track record over the years — particularly, at how well they've performed through economic downturns.

Here are three of the best Canadian stocks to buy that have weathered several recessions over the years.

A top Canadian utility stock

It should be no surprise that one of the best stocks to buy, which has weathered numerous economic downturns over the years, is **Fortis** (TSX:FTS)(NYSE:FTS), the utility stock.

Fortis provides electric and gas utility services to roughly 3.4 million residential and commercial customers across North America. These operations are spread across several different jurisdictions, which reduces risk in an industry that's already highly defensive.

And because Fortis is consistently investing in growth, and because electricity and gas for its customers are essential, Fortis's cash flow and net income are constantly growing, which allows its dividend to be increased each year.

In fact, Fortis has increased its dividend every year for 48 straight years. This just goes to show how well Fortis can weather the storm when the economy is struggling. So, if you're looking for some of the best stocks to buy in this environment, Fortis is an excellent choice.

One of the best energy stocks you can buy

Energy is another industry to invest in for the long haul due to its importance to the economy and the fact that the demand for energy is constantly growing over the long run. But while many energy stocks can be impacted by economic conditions, particularly when oil and gas prices fall, one stock that has much more resilient cash flow is **Enbridge** (TSX:ENB)(NYSE:ENB).

Enbridge is one of the best stocks to buy now, because rather than producing energy, it owns and operates the infrastructure the industry needs, such as pipelines and energy storage assets.

The pipeline segment, in particular, is the largest segment of its business; it earns tonnes of cash flow, has high barriers to entry, and, therefore, makes the stock incredibly reliable.

This is why Enbridge can weather the storm, as economic growth grinds to a halt. It's also why Enbridge is another stock with a lengthy dividend-growth streak, which currently stands at 26 consecutive years.

Like Fortis, it's proven what a high-quality investment it can be in the long run. But while Fortis stock only offers a yield of roughly 3.75% today, Enbridge stock currently yields roughly 6.2%.

Therefore, in this environment, Enbridge has to be considered one of the best stocks to buy.

A top telecom stock

In addition to Enbridge and Fortis, one industry that's become increasingly essential in recent years is telecommunications. And considering the long-life assets that a stock like **BCE** (TSX:BCE)(NYSE:BCE) owns and the significant cash flow it's constantly earning, it's one of the best stocks investors can buy now to protect their capital and generate passive income.

BCE's dividend-growth streak is the shortest of the three companies listed, but it's still impressive at 13 years. And, going forward, as it continues to build out its 5G infrastructure as well as fibre to the home, there is significant growth potential for the stock.

And if you're wondering how well BCE can weather a downturn, at the start of the pandemic, when many companies were impacted, BCE saw its revenue fall just 9% year over year in its worst quarter.

So, with the stock now trading just off the bottom of its 52-week range and now offering a yield just shy of 6%, it's one of the best Canadian stocks you can buy now.

CATEGORY

1. Investing

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2. NYSE:ENB (Enbridge Inc.)

3. NYSE:FTS (Fortis Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:ENB (Enbridge Inc.)
6. TSX:FTS (Fortis Inc.)

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1. Investing

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