



3 Stocks You Can Confidently Buy in a Market Downturn

Description

Investing in the stock market is one of the best ways to put your money to work and grow your wealth. But while much of the focus from investors is on finding the right stocks to buy, it's just as important — if not more so — to have the right temperament.

Successful investing, of course, requires you to buy high-quality stocks. However, it also requires investors to buy and hold stocks for the [long run](#), taking advantage of dips and market downturns.

Over the long haul, the economy is always growing, and market selloffs never last. Furthermore, the economic impacts that cause these market downturns are often temporary.

And the best stocks with strong fundamentals will hardly see any impact over the long run from these selloffs. Therefore, using these dips in the market to buy high-quality stocks cheap is an excellent opportunity as long as you plan to hold for the long haul.

If you're looking for high-quality stocks to buy now, here are three stocks that you can confidently buy in a market downturn.

A top energy infrastructure stock

Massive blue-chip stocks with high quality and reliable operations make excellent core portfolio stocks. These are companies you can buy and hold for decades. And because they are so reliable, these stocks, such as **Enbridge** ([TSX:ENB](#)), are companies that you can buy with confidence, no matter the economic environment.

Enbridge's operations are crucial to the North American economy. The energy infrastructure stock transports 30% of all the crude produced in North America and roughly 20% of all the natural gas consumed in the United States. But those are just some of its operations.

Because all the services it offers are essential, and because its assets are so well diversified, it's a highly reliable stock you can buy, no matter how fast the economy is growing.

Furthermore, in addition to its resiliency, it's also a dividend-growth stock that's increased its dividend every year for over a quarter century. And today, that dividend has a yield of roughly 6.5% while having a payout ratio this year that shouldn't exceed more than 66% of its distributable cash flow.

A top Canadian telecom stock

BCE ([TSX:BCE](#)) is another high-quality, blue-chip stock with highly defensive operations. Having access to communications is an essential service in 2022, so much of BCE's operations are highly robust.

It could potentially see slight impacts on its operations, particularly in its media division and from some [business-to-business](#) sales it does. However, for the most part, BCE's revenue and earnings will be robust. Plus, because it owns tonnes of long-life assets, much like Enbridge, the stock is a major cash cow and consistently brings in billions in cash flow.

BCE's revenue fell by just 9% at the worst point in the pandemic. Furthermore, much like Enbridge, it's also a Canadian Dividend Aristocrat.

Therefore, after selling off by nearly 20% from its high and now offering a dividend [yield](#) upwards of 6%, BCE is not just a stock you can buy with confidence; it's one of the best stocks to buy in the current market downturn.

One of the best Canadian real estate stocks to buy in a market downturn

When high-quality real estate investment trusts (REITs) sell off in market downturns, such as **Canadian Apartment Properties REIT** ([TSX:CAR.UN](#)), they quickly become some of the best stocks to buy.

Residential real estate is extremely defensive, but it also is an industry that's proven to have significant long-term growth potential, which should give investors the confidence to buy these high-quality investments in any market environment.

CAPREIT is especially attractive given that it's the largest residential REIT in Canada, and its properties are well diversified across the country. Furthermore, it is unsurprisingly a Dividend Aristocrat in addition to the constant capital gains potential it offers investors.

Plus, with many REITs, including CAPREIT, having sold off significantly this year, these are some of the best stocks to buy now. Not only is CAPREIT currently trading at a price-to-funds-from-operations (FFO) ratio of just 17.7 times, below its five-year average of 22 times, but its yield has also risen to 3.4%.

If you're looking for high-quality Canadian stocks to buy with confidence today, CAPREIT is a top

choice.

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2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:CAR.UN (Canadian Apartment Properties Real Estate Investment Trust)
5. TSX:ENB (Enbridge Inc.)

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