Selling Losers Before 2023? Buy These Stable TSX Stocks With the Proceeds

Description

As we quickly approach the end of the year, now is the perfect time to review and rebalance your portfolio of **TSX** stocks. Not only is this the time for tax-loss selling, but it's also a great time to review all your finances and investments. Specifically, you'll want to review how your capital is allocated and assess both your winners and losers.

Although you don't want to sell most stocks at a loss when they're down, especially if you believe in their long-term potential. However, you may have bought lower-quality stocks in the past or companies that you've changed your mind about that you'll now want to sell.

Once you don't believe in a stock's potential anymore, it should be sold right away, even if it's for a loss. This way, you can reinvest that capital into a high-quality investment immediately.

After 2022, many high-risk and smaller TSX stocks have been some of the worst performers and continue to have some of the highest risk going forward. So it would make sense for investors to look to offload these sooner rather than later.

Therefore, if you're selling these businesses and looking to shore up your portfolio, here are two stable TSX stocks you can buy with the proceeds.

A top Canadian utility stock to strengthen your portfolio

If you're looking to add more safety and stability to your portfolio, finding a highly defensive TSX stock like **Fortis** (TSX:FTS) is essential.

Fortis is one of the top utility stocks in Canada, and utility stocks are some of the lowest-risk investments you can make. The services they offer are essential and regulated by governments, and therefore these stocks often see very little fluctuations in their revenue or earnings.

Because of their low-risk nature, they make some of the best dividend growth stocks you can buy. In fact, Fortis has increased its dividend for 49 consecutive years now, longer than almost any other

Canadian company.

Furthermore, since these companies have minimal risks, the stocks aren't very volatile either. This stability makes utility stocks like Fortis ideal for protecting your capital.

Therefore, after Fortis declined slightly due to higher interest rates, and while it offers a dividend yield of approximately 4%, it's one of the best TSX stocks to buy for safety and resiliency in this environment.

One of the best defensive growth stocks on the TSX

While Fortis is an excellent stock that can protect your capital, if you're looking for a defensive stock that has a bit more growth potential, you may want to consider **Brookfield Infrastructure Partners** (TSX:BIP.UN).

Brookfield owns highly essential infrastructure assets all over the world, including a significant utility segment.

The businesses it owns are extremely robust, such as pipelines, railroads, ports, telecom towers, and data storage centres. Therefore, much like Fortis, Brookfield is a reliable stock that should be able to weather economic downturns better than most other TSX stocks.

However, while the assets it owns are defensive, the stock operates like a growth company. It's constantly looking at how it can best invest its capital and expand its portfolio.

And because of its size and global reach, Brookfield has the potential to find high-quality undervalued assets all over the globe, which it's done time and again.

Over the last year, while the economy has been struggling significantly, Brookfield has managed to increase its sales by 29.1% while its operating profit increased by 24%.

Therefore, while the stock trades near the low end of its 52-week range, and offers investors a dividend yield of 4.1%, it's certainly one of the best TSX stocks you can buy in this environment.

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