



Stable TSX Stocks to Buy If There's a Recession

Description

This year, the stock market entered [bear territory](#) several times. These dips caused many investors to worry about an upcoming recession. However, it's very difficult to know if a recession has occurred until after the fact. Because of that, I believe investors shouldn't spend too much time or energy worrying about a gloomy economy. Instead, focus on bolstering your portfolio with stocks that could thrive in those situations. In this article, I discuss three stable **TSX** stocks to buy if there's a recession.

This company may focus on garbage, but its stock is far from it

When looking for stocks to hold through a recession, it's important to find companies that operate businesses that shouldn't be affected too much. For example, consider garbage collection companies. As long as humans are around, we'll continue to generate trash as a byproduct of our daily lives. If we hope to maintain our quality of life, companies like **Waste Connections** ([TSX:WCN](#)) will continue to be relied on.

Looking at Waste Connections stock, investors will note that it has outperformed the broader market, gaining nearly 6% this year. Over the past five years, Waste Connections stock has gained more than 101%! More impressively, this stock has a five-year beta of 0.66. For those that don't know what that means, the broader market has a beta of 1. Waste Connections' lower beta indicates that it has managed to generate those gains while maintaining [less volatility](#) than the broader market.

Look towards utility companies

Investors should also turn to utility companies during recessions. This is because utility companies tend to generate revenue on a recurring basis. That gives these companies a very predictable source of income even during the most difficult of times. There are many outstanding utility stocks available on the TSX. Among them, **Emera** ([TSX:EMA](#)) is one company that deserves more attention than it currently gets.

Over the past 10 years, [Emera stock](#) has generated an annualized return of 9.6%. If that's not enough, then consider that Emera stock offers investors a very attractive dividend. This company has notably

increased its dividend in each of the past 16 years. Emera plans to continue raising its distribution at a rate of 4% to 5% through to at least 2025.

Groceries will continue to be purchased regardless of what the economy looks like

Finally, I'd strongly recommend looking at grocery companies during a recession. This is because groceries are likely the very last thing that consumers will cut, when push comes to shove. If there's one grocery stock that investors should consider buying today, I'd say that's **Metro** ([TSX:MRU](#)).

Metro stock has been very impressive this year, gaining more than 11%. To put that into perspective, the TSX has lost about 6% this year. In addition to that strong stock appreciation over the past 12 months, Metro continues to be a strong dividend payer. This company maintains a 26-year dividend growth streak. Whether you look at it from an appreciation point of view, or for its dividend, Metro shines even during a year that has negatively affected some of the best stocks around. I'd pick this stock during a recession without any hesitation.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)
2. TSX:MRU (Metro Inc.)
3. TSX:WCN (Waste Connections)

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. cleona
2. jedlloren

Category

1. Investing

Date

2025/09/26

Date Created

2022/12/14

Author

jedlloren

default watermark

default watermark