



Top TSX Stocks to Buy in a Bear Market

Description

At times in 2022, it seemed as if the Canadian stock market should have been in worse shape. Despite all the economic turbulence throughout the year, the **S&P/TSX Composite Index** is trading at a loss of less than 10% in 2022.

That's certainly nothing to gloat about. But when compared to some of the major U.S. stock market indices, Canadian investors cannot complain too much. The **S&P 500** is down 20% on the year, and the tech-heavy **Nasdaq Composite** is down an incredible 30%.

Investing in a bear market

As a long-term investor myself, I haven't slowed down the contributions to my portfolio this year. I'll be the first to admit, though, that my growth-filled portfolio has taken a beating over the past 12 months. But we also saw extraordinary gains in a very short period following the COVID-19 market crash. It's only natural to see a significant pullback like that of which we've seen in 2022.

While the [volatility](#) this year hasn't affected the number of contributions to my portfolio, it has slightly altered my investing strategy.

I was reminded this year of the importance of diversification. Specifically, I was reminded why you do not want to be over-indexed toward one area of the market. For me, that was the high-flying tech sector. As a result, I've spent the last half year building up defensiveness in my portfolio.

When I'm researching stocks that I'd consider to be defensive, I'm looking at two main characteristics. First, the company's dependability. I'm looking for stocks with low levels of volatility that typically do not see a drop in demand during market downturns. The second is a [dividend](#). The passive income generated can help temporarily offset some of the losses that my other growth holdings may get hit with.

If you're looking to boost defensiveness in your portfolio, here are two top TSX stocks you can feel good about buying in a bear market.

Sun Life

At a market cap of \$35 billion, **Sun Life** ([TSX:SLF](#)) is a global insurance provider. It's far from the fastest-growing market, but it is one that I'm betting will continue to be around in the decades to come. Sun Life also offers its global customers a range of different financial services, too.

In addition to a resilient product offering, Sun Life's dividend is nearing a whopping 5% yield at today's stock price.

The company may be a defensive stalwart, but it's no stranger to growth. When factoring in dividends, Sun Life stock has outperformed the returns of the S&P/TSX Composite Index over the past five years.

Brookfield Infrastructure Partners

It's hard to make the case that utility companies are not among the most boring stocks around. But they are also some of the most dependable options available on the TSX for Canadian investors.

The demand for utilities tends to remain fairly stable, regardless of the condition of the economy. As a result, volatility levels often will remain fairly low.

Brookfield Infrastructure Partners ([TSX:BIP.UN](#)) is at the top of my own watch list right now. The global utility provider has a well-established presence in the industry and boasts a dividend above 4%.

If you're looking to add a stable presence to your portfolio that also generates passive income, you cannot go wrong with this utility stock.

CATEGORY

1. Dividend Stocks
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1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:SLF (Sun Life Financial Inc.)

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Author

ndobroruka

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