3 Resilient Growth Stocks to Hold in the 2023 Economy

Description

Even though the past performance of any given stock is no guarantee that the stock will perform in the future, you can derive a lot of insights from the way a stock has performed at a specific time (or during a specific economic crisis). But there are conditions. For example, if you go too far back in time, the comparison might not be so accurate.

So, if you are looking for stocks that may perform well or at least recover fast if there is a recession in 2023, it would be a good idea to choose the stocks that performed well in the last five years and showed resilience during the pandemic.

There are three such stocks that you may consider holding for the upcoming recession (if it's coming).

A utility stock

Utility stocks are inherently more resilient to economic crises compared to businesses that rely upon discretionary spending. This makes **Hydro One** (TSX:H) a solid choice by itself, but it becomes an even more compelling option when you consider its performance in the last five years. The stock has risen roughly 63%, which is more than enough to double your capital in a decade.

More importantly, the stock barely budged during the pandemic. It kept going up almost consistently, and even though it saw a few dips along the way, the stock was quick to recover. The dividends add to the stock's allure and are currently available at a 3% yield. It's also one of the large-cap stocks if that's a factor you take into account when choosing stable and resilient growth stocks.

A food and pharmacy stock

If you are looking for consistent growth and stability during a market crash, **Metro** (TSX:MRU) is another excellent option to consider.

It didn't fall too hard during the pandemic and was relatively quick to recover and has returned 89% to its investors in the last five years through price appreciation alone. And even though its yield is not that great at 1.4%, the fact that it's an established Dividend Aristocrat enhances its appeal.

If the stock keeps growing at the current pace, it may double your capital every six years. Its resilience and strong performance in weak markets come from its business — food and medicine. It has an impressive network of groceries and pharmacies, primarily in Ontario and Quebec, and just like utility bills, these two are the necessities people never stop spending money on, regardless of the economic condition.

A tech stock

Tech stocks took a beating after the brief post-pandemic boom, and **Descartes Systems Group** (TSX:DSG) is one of the few stocks that remained relatively safe. Even though it's down from its November peak, the 17.3% decline is nothing compared to the 45% slump of the capped **IT index**.

The five-year performance has been quite impressive as well. The stock has risen over 160% in the last half-decade, and even if underdelivers by a significant margin, it may still be able to double your capital twice in a decade.

Like most companies, Descartes doesn't offer dividends. But the robust growth potential easily makes up for this, especially if you consider its resilience, not just compared to the market but the sector as well.

Foolish takeaway

The three stocks have proven their mettle in the last market crash. Metro and Hydro One also represent green businesses capable of surviving harsh markets thanks to their business model. As for Descartes Systems, it has been a robust growth stock since 2009 and may prove to be a good asset in your portfolio, assuming you hold it long enough.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:DSG (The Descartes Systems Group Inc)
2. TSX:H (Hydro One Limited)
3. TSX:MRU (Metro Inc.)

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