



Flee to Safety With These 3 Stocks

Description

Investors looking to flee to safety from the uncertainty in the stock market have largely flocked to bonds (yields are now among the lowest in history) and gold, which is nearing decade-long highs). In this article, I'm going to give defensive investors three stocks to quell portfolio risk concerns for the near term.

Restaurant Brands

The stock price of **Restaurant Brands International Inc.** ([TSX:QSR](#))([NYSE:QSR](#)) is certainly not cheap. However, the stock price has held firm of late, which is due in part to the underlying operating business of Restaurant Brands: fast food at quick-service restaurants.

Most Canadian investors are aware of the [underperformance of Canadian brand Tim Hortons](#), a key subsidiary of Restaurant Brands. However, the company's other core businesses, Burger King and Popeyes Louisiana Kitchen, continue to outperform.

They are driving growth in a segment many economists refer to as "inferior goods"; these are defined as goods which consumers tend to buy more of in down markets such as recessions. The company's share price is down approximately 20% from its peak. Restaurant Brands could easily break \$100/share if things get bad in the near term.

Gildan Activewear

A Canada-based producer of textiles essentials such as undershirts, **Gildan Activewear** ([TSX:GIL](#)) is about as defensive a business as one could ask for.

The company has a number of volume contracts driving its core business. It also has impressive margins in a business most investors wouldn't consider owning. The company's high dividend growth rate, which has traditionally hovered in the double-digit range each year, should be enticing for income investors.

This is especially true given the company's fantastic valuation of only 14-15 times earnings, putting the company's PEG ratio just around 1 right now.

Maple Leaf Foods

The food business is very much a defensive, counter-cyclical business. Therefore, the food business often outperforms the broader markets in down times, as folks still need to eat. **Maple Leaf Foods** ([TSX:MFI](#)) produces a number of mid-range food products that generally exhibit inelastic demand and broadly increase at mid-single digit growth rates every year. This makes Maple Leaf Foods a Steady Eddie stock for defensive investors.

Maple Leaf has recently announced yet another dividend increase at the company's most recent earnings release. This is another reason why I like Maple Leaf: its dividend and propensity to raise its dividend over time.

Stay Foolish, my friends.

CATEGORY

1. Investing

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1. canada
2. food
3. Retail
4. value

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:GIL (Gildan Activewear Inc.)
3. TSX:MFI (Maple Leaf Foods Inc.)
4. TSX:QSR (Restaurant Brands International Inc.)

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