MARKETS

3 Nearly Trump-Proof Stocks Defying Trump's Tariff Shock

By Ian Salisbury Follow

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CVS Health is the S&P 500's top performer in 2025. (BRANDON BELL/GETTY IMAGES)

Looking for safety amid the market's tariff-induced sell off? Some stocks are bucking the trend.

The S&P 500's three top performers in 2025— CVS Health, Philip Morris International, and Cencora —have gained more than 28% so far this year. While these names have rallied for company-specific reasons, they also boast characteristics that could help them weather a further sell off.

The S&P 500 was down 5.3% Friday as China retaliated against President Donald Trump's aggressive tariff stance. All in all, the benchmark has tumbled 9.7% since tariffs were announced Wednesday afternoon.

The market's 2025 leaders have held up comparatively well, thanks in part to their defensive character. CVS Health is down about 5.8% during that time; Philip Morris International fell 2.7%, while Cencora was actually up by 0.1%, according to Dow Jones Markets Data.

CVS Health (CVS)

CVS Health is the S&P 500's top performer in 2025, returning more than 47%. Investors are being rewarded for their patience. Last year it was one of the market's worst performers, and shares are still about 10% below where they were a year ago.

Still, the healthcare giant seems to be fixing many of its problems. CVS replaced its CEO last fall and in February reported earnings that beat analyst forecasts for both revenue and profits. The company also said it was confident of a recovery at Aetna, its health insurance unit, which had struggled with higher-than-expected costs in 2024, putting a big drag on performance.

Assuming CVS Health can keep the recovery going, it could be well poised to weather further market declines. Composed of Aetna, a pharmacy benefits unit, and its chain of 9,000 retail stores, the company straddles two defensive market sectors—healthcare and consumer staples—that have thrived during the recent sell off.

Philip Morris International (PM)

Philip Morris International, up 30% in 2025, sells Marlboro cigarettes and other tobacco products in international markets in Europe, Asia, and elsewhere. (It split from Altria, the former Philip Morris, in 2008.)

While Philip Morris is a classic "sin stock," which could turn off some investors, it is worth noting the company has pledged by 2030 to derive two-thirds of its revenue from smoke-free products such as vape pens, which it argues are less harmful to customers' health.

In February, the company reported higher-than-expected revenue and forecast 2025 earnings that easily beat analyst estimates. While global cigarette consumption is declining, Philip Morris should benefit from price increases and growth in emerging markets. The popularity of IQOS, one of its smoke-free products, is another advantage wrote CFRA analyst Garrett Nelson in a note following the company's recent earnings report.

Nelson, who rates the stock a "Buy," added in an email Friday that Philip Morris International should be relatively insulated from new tariffs. "Relatively speaking, we view the tariff impact on PM as minimal because the company generates the vast majority of revenue outside the U.S. and its supply chains are largely regionalized. "

Cencora (COR)

Cencora, up 30% year to date, is one of the three major drug distributors in the U.S. (Another, McKesson, has also soared this year, and was a recent *Barron's* stock pick.)

Moving drugs from manufacturers to retail pharmacies such as Walgreen's—Cencora's largest customer—is big business and one that is steadily growing, thanks to aging baby boomers and popular drugs like GLP-1 weight-loss medications. Wall Street analysts expect Cencora's sales to grow 9.9% in 2025 and 7.1% in 2026.

Healthcare stocks such as Cencora and CVS Health could continue to thrive, even if Trump's trade war drags on. Trump's tariff announcement on Wednesday excluded pharmaceuticals.

While drug tariffs could still come, the sector also tends to hold up well in economic downturns—healthcare is among the last things pinched consumers want to skimp on. The dynamic could help the stocks if a trade war truly ends up dragging down the economy.

Write to Ian Salisbury at ian.salisbury@barrons.com