



Why Investors Should Love Stock Market Crashes

Description

Less than a week ago, the TSX Composite Index was above 14,000 points, and life was peachy keen.

A few days later, everything has completely changed. As I type this, the TSX Composite has continued its losing streak, falling some 300 points again thus far today. The Dow Jones Industrial Average is worse, declining some 1,000 points in early trading, only to stabilize at approximately 400 points lower.

Naturally, investors are beginning to panic. During market action early Monday morning, shares of practically everything were getting hammered as panicked investors hit the sell button. Many investors are content to wait out what they view as an oncoming crash, while everyone else sees their portfolio getting decimated.

But there's one big issue with that attitude. Individual investors aren't very good at timing the bottom of stock market crashes. Sure, there's the possibility that problems in China get much worse than what they are now. But nobody knows that for sure, especially people who just casually watch the market. If the pros can't consistently get those kinds of calls right, what chance do regular Joes have?

As investors, there's really only one thing we can control, and that's when we buy shares. I don't know where the stock market will go tomorrow, next week, or even next year. All I do know is I'm confident the market will be higher 10, 20, or 40 years from now, which is when I'm really going to care about the value of my nest egg. Now? Everything is just noise.

Instead of watching the indexes melt down, focus on buying high-quality Canadian stocks at fire sale prices. Think of it like buying things at the store on sale. We all like sales, right?

Here are two Canadian stalwarts that are currently on sale.

RioCan

When it comes to retail REITs in Canada, **RioCan Real Estate Investment Trust** ([TSX:REI.UN](https://www.scribd.com/document/444444444/TSX:REI.UN)) is the best in the sector.

RioCan owns 293 different shopping centres in Canada and 47 in the U.S., comprising of nearly 80 million square feet worth of leasable space. The company has been focusing lately on owning property in Canada's largest centres, as well as diversifying its renter base, so one company doesn't comprise any more than 5% of its total revenue.

RioCan also has some very interesting development projects in the pipeline. The company is taking excess land it owns and using it to build condos, tying in these developments with the existing retail space. It currently has more than five million square feet of such projects being built in Canada alone.

Finally, shares are trading at a fresh 52-week low and are currently yielding 5.7%. For a company with the dividend consistency of RioCan—it hasn't missed a dividend in its history of being publicly traded, since 1997—that's the kind of payout dividend investors should get excited about.

Suncor Energy

The energy market doesn't look healthy now, but it'll eventually come back. This is why investors should be very interested in the undisputed king of the sector in Canada, **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)).

Suncor has a great balance sheet, which gives it the ability to go out and start buying some of the shakier producers with great assets and weak financials. The solid balance sheet also ensures the company's 3.5% dividend is as safe as dividends get—at least in the energy sector.

Plus, Suncor's downstream business has ensured earnings haven't been quite as bad as some of its competitors. It actually generated free cash flow during the first half of 2015, if you omit changes in working capital. That, combined with the nearly \$5 billion in cash on its balance sheet, ensures not only safe dividends, but also a stock you know can handle this storm if oil stays depressed longer than we all anticipate.

Now is the time to be buying quality companies. Yes, I know it seems painful and perhaps even counter-intuitive, but you'll be thanking yourself in a few years when all this is but a distant memory and stocks are much higher.

CATEGORY

1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:REI.UN (RioCan Real Estate Investment Trust)
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