



## Investor Beware: 1 Stock to Sell Now Before the Market Sours — Again

### Description

Many investors are breathing a huge collective sigh of relief this January, as markets have bounced from what was a nasty fourth quarter to end what can only be described as a tumultuous year. Indeed, investors were warned as I urged investors to do some selling, as the 2017 rally should have been seen as the calm before the storm and not a paradigm shift brought forth by President Trump's tax reform.

Looking ahead, many folks have a bullish outlook on 2019, but without a peaceful resolution to Trump's trade war, I suspect many of these bulls are wearing rose-coloured glasses. The trade war has already left visible dents in the armour of both China and the U.S., with earnings downgrades that'll likely continue flowing in through the first quarter.

Trump's trade war needs to end. Simply put, it's a flesh wound that's slowly started to show signs of infection. If it drags on, or if new tariffs are announced from either side, the flesh wound could evolve into something far less benign, and next thing you know, we'll be in the middle of a man-made recession.

Of course, all of this can be prevented if two men decide to shake hands in agreement! But either way here's one stock you should probably eliminate from your portfolio, as the risk-reward trade-off, I believe, isn't at all favourable.

The stock I speak of is **Bombardier** ([TSX:BBD.B](#))

Without the assistance of the government, who knows where Bombardier would be today? The company has struggled to keep its affairs in order in an upmarket, so we don't know what's in store should we fall into a recession — a time when the government won't be able to give nearly as generous handouts.

Fellow Fool Andrew Walker isn't ruling out the potential for the stock to double over the next year, but on the flip side, we could easily see Bombardier halve multiples times over, especially in the event of an economic downturn.

Walker did an excellent [job](#) of summarizing Bombardier's planes and trains, but the biggest takeaway was the fact that there's nearly US\$10 billion in [long-term debt](#) just sitting on the balance sheet. That's disgusting, and when you consider the non-stop spending that the company is doing, one has to question whether or not the company will remain solvent when things start getting ugly in the economy.

## Foolish takeaway on Bombardier

As much as Canada preys that Bombardier won't die, many officials are no longer willing to throw money into the "black hole" of a company. If the economy sours, I worry that investors, including the government of Canada, may never see their money again should Bombardier file for bankruptcy if the debt gets the better of the iconic Canadian company.

Bombardier is a pure speculation, so make sure you gamble only what you're willing to lose!

Stay hungry. Stay Foolish.

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