



1 Strange Reason the Stock Market Could Soar

Description

The last recession has been influencing the markets a lot more than people might think. When the Great Recession of 2008-2009 hit, there was a plummet of epic proportions. Canadian banks, for example, fell by about half in share price. It's no wonder investors are being a lot more cautious going into this recession.

However, there is a big difference between then and now. This recession will not be as bad as the last, and it's caused a series of dips in the markets ahead of the recession. So, rather than have one large fall, it's more likely we will have a series of dips followed by a lower, longer slump.

Yet this is also the reason why the stock markets could soar in the next year: investor panic.

As investors continue to treat the markets like the last recession, share prices have continued to slowly drop. This is due to investor panic setting in, where investors are letting fear guide their buying and selling rather than the numbers. Yet because it won't be as bad as the last recession, there should be a bounce back in the markets within a few short months.

That means investors won't have lost as much, and will be able to afford getting back in on a rebounding market. This should send shares soaring in no time, and potentially reaching all-time highs practically across the board.

So, what should you be adding to your watch list?

Suncor

There's a reason celebrity investor Warren Buffett reinvested in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) back in February: this stock is cheap. Suncor has a [fair value](#) of around \$60 per share, yet right now trades at \$42 as of writing. That's a discount of 45% and doesn't take into consideration any soaring share prices that could happen in the next year.

In Suncor's case, those prices should pop sooner as opposed to later. Investors have unnecessarily

beaten down this stock, as Suncor is a fully integrated oil and gas company, meaning it explores, drills, produces, markets, ships and sells its own products. Therefore, if one area is down, the other areas can pick up the slack. This is exactly what we've seen in the company's recent earnings reports.

In fact, the lower oil and gas industry has provided opportunities for Suncor. While the company picked up an acquisition right before the downturn, it's now making up for it by building its infrastructure at a major discount. So, not only will Suncor come out of the recession relatively unscathed, it could well be ahead of the game for investors willing to be patient.

One word of warning before buying up this stock. I'm not going to say you should rush out and buy Suncor at a [discount](#); instead, you should be doing your own research to find out if this is the best option for you. Once you find the right stock, I also wouldn't wait around for a huge price drop with the recession. That's a risky game, and one that's almost impossible to time properly. Instead, find those stocks like Suncor that offer a fantastic long-term investment and hold on to them tightly for decades to see incredible returns.

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Date

2025/09/15

Date Created

2019/09/25

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