



## Recession: Should You Sell All Your Stocks Before the Market Crashes?

### Description

We've been hearing a lot about that coming [recession](#) of late. It's hard to avoid the topic with the inverted yield curve flashing red, no progress made in U.S.-China trade talks, and a U.S. presidential election that could strike fear in the hearts of investors. It may just be the endless recession chatter that could send us into a recession.

In essence, there may be [nothing to fear but fear itself](#).

While October has been pretty nasty thus far, investors need to remember that we're just 5% or so away from reaching new all-time highs. We may be in the midst of a garden-variety sell-off, so selling all your stocks with the expectation of a crash is one of the silliest things you could do at this juncture, given the 180-degree sentiment reversals we've witnessed over the past few weeks.

If you're not one to follow the herd, the biggest risk to you is being *out* of this market.

So, stop trying to search for reasons to sell your stocks, because doing so could derail your investment goals should a series of positive events unfold for a change. All it could take is two men (Trump and Xi) shaking hands, and the next thing you know, we could be in for one of the biggest market melt-ups in history. And all those recession bets? They'll be off the table.

Instead of doing something as foolish (that's a lower-case *f*) as selling on fear, look to low-beta stocks like **Park Lawn** ([TSX:PLC](#)) that'll allow you to remain in the market with a lower degree of volatility compared to the broader markets. The stock has already corrected by over 11% at the time of writing and with its 0.3 beta, the stock is more likely to zig as the markets zag and vice versa.

The risk of recession should be seen like the risk of rain on any given day. If it's high, wouldn't it make sense to bring an umbrella, just in case?

In the case of Park Lawn, you're bringing an umbrella, so you don't get soaked. And if it turns out you don't need it, you're not really losing much.

Park Lawn is in an industry that would be minimally impacted by an economic downturn. For those

unfamiliar with the company, it's in the business of death care services with a promising M&A growth profile and a minimal amount of debt.

A recession isn't guaranteed at this juncture, despite the negativity that's been going around like a seasonal bug. The only thing guaranteed in this world is death and taxes. And with Park Lawn in a TFSA, you'll profit from the former and avoid the latter.

## Foolish takeaway

Should you sell your stocks on headlines of a looming recession and a peak stock market?

Definitely not. Stocks remain the best game in town, and if you're looking to lower your risk, it makes a tonne of sense to prepare your defences with names like Park Lawn.

We've yet to witness PLC go through a severe recession, but when it inevitably hits (whether next year or next decade), I expect the stock to take a smaller hit to the chin than the broader indices.

Stay hungry. Stay Foolish.

### CATEGORY

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### TICKERS GLOBAL

1. TSX:PLC (Park Lawn Corporation)

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