Young Investors: Here’s Why You Should Pray for a 30% Market Crash

Description

If we were to say the global market is crashing, it would be an incorrect statement. A relatively truer statement would be that the market is slowly coming to a halt. And as ugly as it sounds, young investors should pray for a 20-30% market crash.

Why?

Because you won’t find a better time to buy into such great companies for such low prices.

This is the truth that most seasoned investors know, and all young investors should learn, too. When people are worried about the strength and stability of their existing investments, they tend to miss the once-in-a-lifetime opportunity to load up on great stocks that are dirt cheap. Often, the buys made at the crash turned out to be profitable enough to make up for all the losses investors suffered during the market crash.

So, while everyone has battened down the hatches, be ready to ride the winds. Investors like you should keep a close eye on the stocks with good fundamentals. These stocks may recuperate faster than the average market, even if you buy them at half the price during the crash. Two such stocks might be **Brookfield Property Partners** (TSX:BPY.UN)(NASDAQ:BPY) and **Canadian Imperial Bank of Commerce**.

A dependable real estate company

Brookfield Property is one of the largest real estate companies, not just in the country but in the world. The company has a diversified portfolio of about 690 properties, including retail, official buildings, hospitality businesses, and logistic properties. An additional stake in 58,000 residential apartments makes the company a multifamily property giant in the U.S.

Brookfield Property has generated revenue of $3.75 billion from this time last year. The company is very stable for a real estate’s debt-heavy business, with a beta of 1.02. The current dividend yield that the company is paying to its investors is a juicy 5%, and it has increased its payouts for the past five years.

Currently, Brookfield is trading at a monthly low of $24.82 per share, which seems a bit undervalued if you consider the price-to-book ratio of 0.85. Even if the stock crashes in the market meltdown, the company’s plethora of globally diversified assets and dependable income streams have the potential to lift it back up in no time.

One of the Big Six

Like Canada’s other banks, CIBC is also resilient against the treacherous shakes of a market crash.

Still, as the global market suffers, the company's market value could, too, giving young investors a great opportunity to buy the dip.

Historically, CIBC has done great for itself. The nearly $50 billion smaller giant has appreciated its market value by 8.88% in the last five years. Currently, CIBC is trading at a monthly high of $112.31 per share. The company touts a decent diluted EPS of 11.41. And with a yield of 5.13%, the investors will get a substantial amount to reinvest, and a chance to grow their wealth significantly.

Foolish takeaway

Smart investments will pay off, no matter the time of investment. But buying great stock goes way beyond intelligent investment and has the potential to increase your capital many times over. So, if a market crash is imminent, young investors like you should be ready to capitalize on it.

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TICKERS GLOBAL

1. TSX:BPY.UN (Brookfield Property Partners)

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