



Hold On to This 1 Stock for Dear Life During a Market Crash

Description

We have been continuously hearing of a recession coming our way. There is no avoiding the topic with the inverted yield curve flashing the dreaded red color. Trade tensions between the U.S. and China do not seem like they will end any time soon, and a lot of other geopolitical factors are threatening further instability.

All this talk of a recession itself might see us fall into one. There might not be anything to fear but fear itself. October has not been kind, but investors should know that the TSX is just around 5% from its all-time highs. Canadian investors are amid a sell-off spree right now. I think selling all your stocks is no less than a folly during the recession.

If you are an investor worried about the market downturn and what it will do to you, you might feel inclined to sell all your shares as well. I would urge you to reconsider taking that position. Instead of completely running away from the stock market, you could consider investing in a stock that is likely to bear the headwinds of a recession well.

Only two certainties in life

I have [said it before](#), and I will repeat it: death and taxes are the only two certainties in life. A third certainty you could add is that market downturns hit. They are a part of the economic cycle, and they will keep on happening time and time again. A fourth certainty is that stock markets always recover after a recession.

Historically, you can look at one of the worst just 10 years ago, the one in 1929. Completely selling off all your stocks can cripple your investment goals when the market recovers. It is the silliest decision you can make. Sadly, most people still sell their shares regardless of the fourth certainty.

Speaking of silly decisions and death, I feel that there is one stock that you can rely on to see you through a recession (if it even hits) with a lower degree of volatility compared to other stocks: **Park Lawn** ([TSX:PLC](#)).

Park Lawn

Park Lawn is the only publicly registered company on the TSX that owns and operates cemeteries and funeral homes. Despite an uncertain year for the TSX across the board, PLC has performed well year to date. With stock price gains of 29%, PLC stock trades for \$29.50 per share at the time of writing.

The 67.66 price-to-earnings ratio seems a little alarming at first glance. Still, you need to consider the fact that PLC offers excellent value to its customers. It is trading at 27.32 times forward earnings, making PLC considerably cheap since the company expects to grow by a significant margin over next year.

The industry Park Lawn operates in is quite fragmented. PLC is playing the role of a leading consolidator, which has allowed it to post outstanding gains over the past five years. In the past half-decade, the company's stock price averaged more than 25% annual returns. Analysts unanimously rate Park Lawn as a "Buy." They have an average one-year price range expectation of \$32.85 from PLC.

Foolish takeaway

Whether or not [the recession is coming soon](#), I can say that Park Lawn makes a good buy for a lot of reasons other than being a defensive buy. The company has a monopoly in its industry, and plenty of room to grow further. If you want to choose a stock that can help your portfolio weather a recession, PLC could be an excellent option to consider.

CATEGORY

1. Dividend Stocks
2. Investing

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