



Will Your Retirement Fund Survive a 2020 Market Collapse?

Description

Some famous personalities in the world of finance are warning of a future stock market crash. Two of them are former heads of the U.S. Federal Reserve. Alan Greenspan was worried too about a bond market bubble. Bonds are in negative territory at the moment. The inverted yield curve is also an omen of recession.

The fear of recession is lessened after the U.S. and China finally ended a long trade war. Both countries extended concessions to one another. However, because the rising market is getting old, others say a slump is inevitable. If you were to believe the predictions, could your [retirement fund](#) survive a market crash if it happens in 2020?

Lower the risk

A recession as well as rising national debt and inflation can overturn the market. Before such things happen, you should move to protect your retirement fund from risk. Retirees and would-be retirees whose anchors are **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) and **Suncor** ([TSX:SU](#))([NYSE:SU](#)) are likely to survive.

RBC is the largest bank financial institution in Canada. This high-quality, blue-chip stock tends to outperform the market with lower risk versus the average stock. It offers a safe and growing dividend. With the financial markets displaying periods of instability, you need an asset that can deliver during uncertain times.

This \$150 billion bank, along with four other bank heavyweights, withstood the 2008-2009 financial crisis. None of the Big Five banks requested a bailout from the Bank of Canada. A consolidation of the banking system took place, and all five emerged as the undisputed leaders.

It's hard to imagine your capital to be at risk when you own the most formidable bank in the world. The sheer size of RBC can't be moved by cyclical downturns or even a recession. With 15 decades of dividend history, this bank stock should be able to pay the 4.01% dividend today in another 150 years.

Suncor is one of only two energy stocks that value investor and billionaire Warren Buffett holds in his equities portfolio. It's also [one of only two Canadian companies](#) he has investments in.

Suncor is Canada's second-largest energy company. Its market capitalization stands at \$65 billion today. The oil sands assets contribute to the bulk of annual production. Likewise, the upstream and downstream operations of this oil and gas company are fully integrated. That is why the stock is a cash machine.

Hold onto it for the next 35 years and your \$100,000 investment should be worth \$394,608.90, given the 4% dividend yield. By then, you would be earning \$15,784.36 in annual income while your principal remains untouched.

If Buffett holds Suncor in his portfolio, it means the energy stock is an investment that provides long-term value. Besides, Buffett has a penchant for diversified companies. The business segments have been supporting earnings in spite of the ever-present volatility in the energy industry.

Shine in 2020

News of a market crash is disturbing to investors. Lately, however, market strategists believe that the Canadian stock market is on pace to shine in 2020. It could be its biggest gain in a decade.

You're lucky to own RBC and Suncor. There's no worry whether it's a rising or declining market.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:RY (Royal Bank of Canada)
4. TSX:SU (Suncor Energy Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Bank Stocks

- 2. Dividend Stocks
- 3. Energy Stocks
- 4. Investing

Date

2025/07/02

Date Created

2019/12/26

Author

cliew

default watermark

default watermark