3 Stocks to Buy in a Market Crash

Description

The markets have been struggling in recent weeks. Given the danger of more losses ahead due to the coronavirus, many investors are panicking. However, this is also an excellent time for investors to pick up some bargains. Below are three cheap stocks that you can pick up today or in any market crash:

Fortis Inc (TSX:FTS)(NYSE:FTS) is a good stock for a couple of reasons. The first is that it's in the recession-proof utility business. Demand for its services will remain intact whether people are staying indoors due to the coronavirus or whether all is well and people are out and about.

Utilities are a necessity, ensuring Fortis won't suffer from significant volatility. It's a low beta stock that's up 9% in 2020. The **TSX**, however, is down more than 5%.

The second reason to hold Fortis is for its dividend. With a yield of more than 3.2%, investors can earn a reliable source of cash flow every quarter, which can be helpful in either offsetting losses or padding investment gains.

Dividend stocks are very helpful during a downturn and a stable one like Fortis is no exception. The company regularly increases its dividend as well, meaning that you'll likely be earning higher return years from now.

Kirkland Lake Gold (TSX:KL)(NYSE:KL) also pays a dividend and is another stock for investors to consider. The gold miner benefits from a higher price of gold, which typically happens when interest rates are down and people are looking for safer places to put their money.

Both Canada and the U.S. have recently cut their interest rates and gold is up ever since. Indeed, gold is inching close to US$1,700 per ounce. The higher it climbs, the better the reason to buy shares of Kirkland Lake.

The stock has done very well, and in two years it's up over 140%. But it's fallen in recent weeks as investors divest of stocks entirely. However, once they come back, Kirkland Lake will be a popular choice. With a forward price-to-earnings (P/E) of just 12, it could prove to be a bargain buy. The company recently hiked its dividend and more increases may be in its future given Kirkland Lake's strong financials.

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) isn't a recession-proof stock, however, nor will it see its demand rise as the markets fall. However, the top Canadian bank stock will likely recover from this or any other downturn. During a market crash, investors have the opportunity to lock-in a better-than-normal dividend yield.

Currently, TD's yield is up around 4.7%, which is far more than normal for the big bank. It's not because the company's significantly hiked its payouts, but rather because the stock is trading near its 52-week lows.

Regardless of where the short-term direction the markets are headed, TD and other bank stocks will recover. In five years, shares of TD are up 22%, well above the TSX's performance of just 10% during that time.

As long as the economy is doing well, TD will also continue generating strong profits.

While there may be a lot of negativity these days in the markets, those are short-term concerns that shouldn't weigh too heavily on investors with a long-term investment strategy.

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