How Create a Market Crash Nest Egg

Description

While many are looking at the stock market crash with fear in their eyes, I'm sure there are quite a number of you out there with dollars bills taking up your vision. While it's definitely a scary time, we can't deny that there is money to be made as the selloff continues.

However, that doesn't mean you should be buying up any old stock. In fact, what you really need to be doing is looking for the stocks that are down, but set to make a comeback sooner than the others.

So let's look at some options.

TD Bank

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) is Canada's second-largest bank, with a blue-chip profile that usually has investors foaming at the mouth. A big part of that is the bank's amazing dividend track record of 163 years to date.

That distribution has remained safe even during other market crashes and recessions. As of writing, the bank offers an incredible 5.17% annual dividend yield, which of course is usually unheard of.

In fact, usually the stock is near double where it is now at around $54 per share, which should be back to normal within the next year. That makes this stock a great long-term purchase, with the bank currently in the top 10 as one of America's best banks.

The expansion is only in the beginning phases, along with its wealth management division. The bank's profitability should continue for years to come, giving shareholders a solid foundation for strong returns for the future.

CP Railway

Canadian Pacific Railway Ltd. (TSX:CP)(NYSE:CP) is another great option for investors looking to create a nest egg for future growth during this market crash.

While other railways are currently in a building phase, CP has completed its infrastructure re-investments and is now reaping the benefits. The company had an overhaul in the last decade that has it now running as efficiently and smoothly as possible.

The proof is in the company's earnings reports, with the company matching or exceeding expectations repeatedly. The company hit an all-time high of about $362 per share this year, but as of writing is now about 27% lower at $266 per share.

And similar to TD, CP offers a stable dividend that currently sits at 1.1%, a reasonable increase from its usual spot and definitely a welcome bonus to your portfolio.

Bottom line

While it can seem as if the market crash could continue for a while, it could turn around quickly if two things happen: countries agree to cut back on oil production, and a vaccine is created for COVID-19.

Of course, both of these could take a long time to unfold, but even if that happens, stocks should be back where they were within the next year.

If that's the case, it's easy to see how you'll create a nest egg in that time. If you put $5,000 toward each stock with the idea of each going back to pre-market crash prices in a year's time, that would bring your $10,000 investment to $12,289, with annual dividends of $357.

Over the next few decades, I'm sure those numbers will soar even higher, but not bad cash back in only a year's time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CP (Canadian Pacific Railway)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:CP (Canadian Pacific Railway)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/07/03
Date Created
2020/03/18
Author
alegatewolfe