Stock Market Crash: 1 Industry to Buy, 1 to Avoid

Description

Investors might be looking at today's stock market crash thinking two things: it's time to panic, or it's time to buy.

In either case, I would be very careful when it comes to investing in today's volatile market. However, I'm not saying there aren't any opportunities. Far from it.

But I'm also not saying that anything goes. While most stocks are likely to pop right back up to pre-stock market crash prices, not all will, and a few may take quite some time to get there again.

If you're really wanting to be careful, there are a few industries I would avoid, and a few that could be quite promising during this time of uncertainty. So let's take a look at two industries and some stocks that could move along with them.

Avoid the airline industry

It's fairly clear why the airline industry should be avoided right now. The spread of COVID-19 has left many countries around the world closing up borders.

In fact, as of writing Canada not only is closing the borders to non-citizens and permanent residents, but it could soon closing up even to its own citizens in the coming days.

That not only means that it's certainly not an ideal time to book a vacation, but also that airplanes will be grounded for the foreseeable future. Even when the spread appears to be under control, I'm sure there will be a lot of legislation and hoops to jump through before airlines can become airborne again.

It's therefore no surprise that **Air Canada** (TSX:AC)(TSX:AC.B) has plummeted since January on news of COVID-19. The stock reached an all-time high of $52.71 per share and is now a whopping 67% lower at around $17.50 as of writing. Whether this stock price proves to be a steal or a bust, only time will tell.

Don't get me wrong: the company has been reinvesting and expanding for years now, which is why its price climbed so high. For now, however, I would avoid stocks like Air Canada until some positive news comes out for the airline industry.

Buy utilities

While people around the world won't be boarding a plane anytime soon, there's one area that could actually see a boost in the near future: utilities. Rather than being at work, using public transportation and going to concerts, everyone will be in the same place: home. Utility companies should therefore see an increase in resident usage.

While utility companies haven't seen nearly as drastic a drop as the airline industry, there has still been a drop, which means it could be a great time to buy these stocks, as each is likely to rebound far quicker than many other industries.

If there's one I'm going to recommend, it's **Fortis Inc.** (TSX:FTS)(NYSE:FTS). While the stock might be down by 17%, just compare that to the **S&P/TSX Composite,** which is down a whopping 30% as of writing. That's *double* the loss!

Meanwhile, Fortis offers investors an incredibly safe dividend yield of 3.65% as of writing and a bright future as the company has been making a number of strong acquisitions. So you'll be happy bringing in cash dividends now — and plenty more in the years to come.

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