



Forget the Market Crash: Buy This TSX Stock for a 2020 Stock Market Rally

Description

The second-biggest panic on the stock markets in three decades is upon us. But the bold investor should take heart and forget the market crash. Great companies are on sale right now. Indeed, this kind of sale can only happen during a bear market. Investors should buy the dips, especially if they expect a 2020 stock market rally to materialize.

Instead of indexing, [buy outperforming stocks](#). Take a look at what did well Monday, one of the worst days the **TSX** ever had. The TSX Composite Index was down 9.9%. **Kinross Gold**, meanwhile, was up 17.26%. These are the kinds of stocks to look out for.

Forget the market crash and buy great stocks

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is one of the best blue-chip stocks to buy right now. But never mind recession: This stock barely moves. That's why now is the perfect time to buy some shares. But don't back up the truck. Buy in stages as the market falls further. This way, you'll get the number of shares you want but at increasingly lower prices.

This is the kind of company that will carry on [rewarding with passive income](#) for investors for years to come. This is largely due to its wide economic moat. Look at the stock's performance during the rail strike late last year. This should give an indication of how low volatility this stock is.

Then there's defensiveness, the quality that perhaps matters the most to investors right now. The stock is diversified across every industry and sector it supports. And that's practically all of them. There are few Canadian businesses that aren't in some way connected to CN Rail. If you want to forget the market crash and rest assured, this stock will help.

Never mind recession: This name is a buy

Why buy CN Rail for a 2020 stock market rally? One word: oil. Let's break that down. Right now, oil stocks are in the gutter. That's probably where they should be, given the combined effects of the

coronavirus and the oil price crash. But if oil recovers late in 2020, the sector could boom. Then all of those cheap oil stocks would see tonnes of upside.

But if there is no oil rally, you'll be sitting on some dud stocks. They may well see some upside. But the long-term outlook for oil isn't too good. Even if bailouts mean that energy investors can forget the market crash for a while, damage is being done.

CN Rail, though, is a safe all-round bet. It's a play for oil thanks to its CanaPux initiative. Crude by rail is a significant segment of the rail operator's business. CN Rail will rise if there's an oil rally. And if the oil rally doesn't materialize? You'll still hold shares in a low-risk, diversified company that can reward with passive income for years to come.

The bottom line

Bullish pundits and investors alike may well predict a stock market rally in 2020. Forget the market crash, therefore, and watch less news. Because just as pundits predicted the bear market, they're already predicting an end to it. Stocks like CN Rail are ideal to buy and forget about for years to come.

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2. Dividend Stocks
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1. market crash
2. recession

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Author

vhetherington

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