The Coronavirus Market: How to Buy TSX Stocks and Beat the Crash

Description

The markets are exhibiting wild swings not seen since the 2008 Financial Crisis and the Great Depression of the 30s. Pundits are considering a coming recession. Even the ever-bullish White House has upped its chances of seeing a downturn. But what if a multi-quarter slump follows the coronavirus market? What if Canadian investors have to face another economic depression? Here are some ideas.

Great Depression 101: Know what you hold…

Investors should know their stock portfolios inside out at this stage. There has been uncertainty in the markets for many months on end. Even the most bullish analysts were predicting a coming bear market. Canadians invested in **TSX** companies should be in defensive positions with the best blue-chip stocks. The case for selling on a down cycle is weak, though it's still not too late to trim stubbornly overvalued names.

This isn't the time for indexing, either. Entire sectors are in the red right now thanks to the coronavirus market. That's why new investors getting in at the ground floor should buy the most resistant names. Go through the TSX and look at which sectors had the lowest losses and biggest wins this week. This includes gold miners, healthcare, and consumer staples.

… and keep holding through the coronavirus market

The one piece of advice that every asset manager will give you right now is "don't sell." Why not? Because the market always comes back. It always has, and it likely always will. Those shares in **CN Rail**? They might be down this week, but that's a high-quality business. It's also a pillar of the Canadian economy. As such, it's untouchable in the long run.

Those gold stocks that you put aside for just such an ocassion? They're cheap right now, so why not add to them? Don't look through your portfolio and looking in horror at a sea of red. What about quality names like **Newmont** and **Barrick Gold**? Get ready to add to them and hold long term.

The coronavirus market is highly volatile. The markets were already riddled with uncertainty. Oil prices were already crashing. Pundits were already talking about recession. But now all of those trends are compounded. And while an ordinary recession is baked in, the coronavirus market could become something worse. It could become another Great Depression if a credit crisis emerges.

That's why investors should only buy the lowest-risk names right now. Yes, buy into deepening weakness. But keep those incremental investments tied to quality. Look for safe dividend stocks on the TSX. Buy into those blue-chip businesses that have been waiting on your wish list. Now is the time to put some cash to work.

The bottom line

Some investors may be tempted to time the bottom, but we might not be anywhere near it yet. That's why buying a few shares here and there makes sense. Names like CN Rail and Barrick keep popping up. Investors are clearly seeing these names as the most stable Canadian stocks in the current coronavirus market. Those names' yields are also higher right now, up at 2.4% and 1.6%, respectively.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

POST TAG

1. Editor's Choice

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Tags

1. Editor's Choice

Date
2025/08/16

Date Created
2020/03/20
Author
vhetherington