



Stock Market Crash 2020: 2 Stocks That Can Double Your Money

Description

The stock market crash of 2020 is unprecedented. No other word better describes the current environment. Governments and companies worldwide are taking [unprecedented measures](#) to mitigate the spread of COVID-19.

When will the curve flatten? How will the economy respond? Unfortunately, no one can answer these questions with 100% certainty, as we have never experience such a global event.

In response, global equity markets have been decimated. Although it's tough to get past all the bad news and negative sentiment, there is a silver lining. [Stocks are cheap](#).

During the stock market crash, some are struggling more than others. By that same token, some are well positioned to double once headwinds subside.

A leading entertainment company

Social isolation has caused massive panic among the entire service industry. Retailers are closing stores worldwide, and entertainment is at a standstill. **Cineplex** ([TSX:CGX](#)), Canada's largest cinema operator, has been one of the hardest hit stocks during this stock market crash.

There are a number of reasons for this. For starters, the company is in the midst of being acquired by Cineworld, one of the largest cinema operators in the world.

At \$34 dollars per share, many believe the current deal is now in jeopardy. Cineworld has a high debt load, and given the closing of theatres worldwide, analysts believe Cineworld would be best to walk away from the deal.

Next, Cineplex has been forced to close cinemas and other entertainment venues across Canada. Doing its part to help promote social isolation, Cineplex's main business is under lockdown, which will no doubt have a significant impact on the company.

Will it lead to bankruptcy? That's always a possibility. However, as Canada's largest Cinema operator, a more likely outcome is a government bailout, which will enable the company to stay afloat. Although

it will take some time for patrons to return, at \$8.84 per share, Cineplex is cheap.

For those willing to take on additional risk, Cineplex below \$10.00 a share may look like a steal in a year from now. Not to mention that the Cineworld deal has not yet fallen through. While the closing of the deal is likely to be pushed back, it has not yet been cancelled outright. At \$34.00 per share, that's 285% upside.

A stock market crash oil stock

I know what you're thinking: Who in their right mind would buy an oil and gas company right now? The Saudis have declared all-out war on the price of oil and have flooded the market. The price of oil is trading at levels not witnessed since 2003 and there's been a recent shift to renewables.

Hear me out.

My top pick in the sector is **Canadian Natural Resources** ([TSX:CNQ](#))([NYSE:CNQ](#)). The company is trading at 11.00 per share, a ridiculous thought only a few months ago. Year to date, Canadian Natural's stock price has lost 73.8% thanks to the stock market crash and the war on oil.

First of all, as one of Canada's lowest cost producers, it's arguably the best positioned oil company to navigate a prolonged bear market.

Earlier this week, the company announced plans to cut capital spending by \$1.9 billion in 2020. Despite the revisions to capital expenditures, there's been no change in production volumes. The entire executive team also announced that they would take a pay cut.

Similarly, it has \$6 billion in current liquidity and announced a suspension of share buybacks — flexibility that will allow the company to maintain an industry-leading dividend and meet debt obligations.

Approximately 60% of the company's liquid production comes from synthetic crude oil and light oil that command a premium over WTI prices. This drives significant netbacks, and even in the current low price environment, the majority of its production is cash flow positive.

If the stock market crash and oil bear market persist, Canadian Natural will be one of the last ones standing. Now is the time to put your cash to work.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:CNQ (Canadian Natural Resources)
2. OTC:CNWG.Y (Cineworld Group Plc)
3. TSX:CGX (Cineplex Inc.)
4. TSX:CNQ (Canadian Natural Resources Limited)

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