Market Crash: 3 Quality TSX Stocks on Sale

Description

With stock prices plummeting, some investors are panicked. A market crash can be a tough time for investors to persevere through. However, the historical data shows us time and time again that the markets recover. So, continuing to invest in quality stocks at these rock-bottom prices is an appealing move.

Now, given the severe economic impact of COVID-19, now is a great time to make sure you have enough cash on hand to weather the storm. So, to ensure a certain level of short-term security, pouring more money into the stock market isn't always viable.

However, those with enough extra cash to continue investing for the long term can capitalize on these market crash prices. Some quality stocks are the cheapest they've been in years and provide attractive entry points for investors.

Today, we'll take a look at three quality TSX stocks that are on sale for the long run due to the market crash.

CN Railway

Canadian National Railway (TSX:CNR)(NYSE:CNI) is a rail transportation business. It focuses on transporting goods like oil, chemicals, coal, grain, even cars and more. It operates routes totalling roughly 20,000 miles across Canada and parts of the U.S.

The company generates substantial free cash flow, and it has a steady dividend. CN has a long history of providing solid growth to its dividend for investors.

CN stands a great chance to weather the economic storm as it transports essential goods. With Canada's strong trading relationship with the U.S., CN should continue to move product as the economy slows.

With the recent market crash, CN is trading at $99.11 and yielding 2.3% as of writing. If you have the cash available, that yield should beat any savings account in this low-rate environment. Plus, you have the upside in share price to hang your hat on as the economy recovers — CN was trading at $115.52 as recently as March 6.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is another "boring" but solid company. It focuses on supplying electric and gas utilities across Canada, the U.S., and some parts of the Caribbean.

Like CN, it's also a dividend heavyweight and consistently provides increasing dividends to its investors. With healthy profit margins and a low payout ratio, Fortis should be able to maintain its dividend, even through tough times ahead.

As a utility provider, Fortis should be somewhat resilient to an economic slowdown that might be crushing to other businesses.

As of writing, Fortis trades at $42.20 and yields 4.5%. At those market crash levels, now is as good a time as ever to snap up shares of Fortis and hold them long term.

Buy BMO in a market crash?

Bank of Montreal (TSX:BMO)(NYSE:BMO) is one of Canada's major banks. It provides essential banking services to clients across North America, with especially solid footing in the U.S.

Once again, BMO is a top-quality blue-chip stock known for increasing its dividend over time.

With pressures from both the falling interest rate and economic slowdown, BMO has tanked as of late. As the market crashed, so has BMO. As of writing, it's trading at $56.24 and yielding 7.5%.

However, BMO has a strong enough balance sheet to weather the storm — and considering its stature in the economy, it should stabilize.

By being brave and investing now, investors can lock in a mammoth dividend yield that should be set to grow once we come out on the other side of this situation.

Market crash strategy

If you have enough available cash to invest, you can make a fortune during a market crash. By purchasing shares of quality TSX stocks, you not only lock in attractive yields but also give yourself huge upside in the share price as the economy recovers. Over the long term, buying shares of quality stocks like CNR, FTS, and BMO should lead to great gains and reliable dividend income.

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BMO (Bank Of Montreal)
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