



WARNING: Avoid These 2 Stocks During This Market Panic

Description

The coronavirus pandemic is sweeping the world. The number of COVID-19 cases is increasing, and so is the number of deaths being reportedly caused by the novel coronavirus. Oil prices keep plunging, and markets are becoming increasingly volatile.

At writing, the **S&P/TSX Composite Index** is down by almost 30% from its February 2020 peak. In a matter of weeks, investors have lost billions. Canadians with poorly diversified portfolios are the ones suffering the most amid the recession.

Today I'm going to discuss **Baytex Energy Corp.** ([TSX:BTE](#))(NYSE:BTE) stock and **Bombardier Inc.** ([TSX:BBD.B](#)) stock, two equities you should avoid like the plague in the current market situation.

Baytex Energy

Baytex is an Alberta-based oil exploration and marketing company. The energy sector operator has long been in trouble, even before the coronavirus pandemic took hold of the global economy. The company is already struggling with a pile of debt and falling stock prices since 2011.

With the oil price crash of 2014 and 2015, Baytex fell further. The company borrowed a substantial amount of money leading up to the crash and had [\\$2 billion in debt](#) that the company could not fulfill. The result was several quarters of losses.

Now that the COVID-19 is ravaging global economies, even the safer equities are in trouble. At writing, Baytex is trading for \$0.38 per share and is down 81% from its January 2020 peak.

Bombardier Inc.

Bombardier is a stock that was already taking a massive beating in the months leading up to the ensuing market crash. The company recently sold off several business units and laid off many of its employees in a bid to stay afloat.

It has all the telltale signs of a company in severe decline. As you might expect given the current situation, the market stock is performing horribly.

One of the few business units left for the company is its business jets. With the pandemic taking its toll on economies globally, the demand for travel due to business is rapidly declining. As the situation progressively worsens, the company can expect to see a devastating decline in the need for its services.

In response to the coronavirus contagion, some of the world's most prominent companies are already cancelling business flights. Several countries are completely closing off borders. If the trend continues for several months, as we expect, it could result in the end of Bombardier.

Foolish takeaway

With or without the contagion, however, both Bombardier and Baytex are already in a slew of trouble. Factor in the global stock market meltdown and you get two companies bound for devastation.

These are challenging times. I would advise re-evaluating your portfolio and invest in safe assets that can [see you through a recession](#). Avoid investing in unreliable stocks and consider equities that can weather a recession well.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)
2. TSX:BTE (Baytex Energy Corp.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks

3. Investing

Date

2025/07/04

Date Created

2020/03/24

Author

adamothonman

default watermark

default watermark