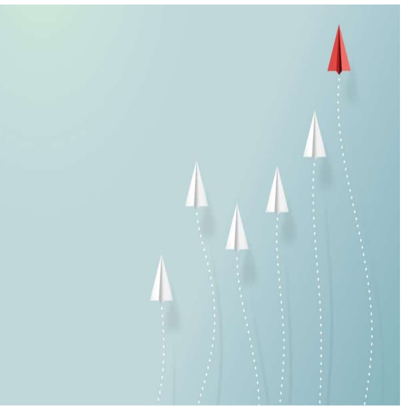

Recession 2020: 3 Stocks That Soar During a Market Crash

Description

Stocks got hammered during the Great Recession, which occurred between December 2007 and June 2009. During the worst period — the six months spanning the fourth quarter of 2008 and the first quarter of 2009 — the S&P/TSX Composite Index fell 24.3%, including dividends. In the U.S., the S&P 500 dropped 30.5%, and the Dow Jones Industrial Average plummeted 28.6%.

Over the six months when the stock markets hit rock bottom, only 41 of the roughly 250 stocks in the S&P/TSX Composite Index came through without losing money.

If history is any indication, the following stocks should be able to weather this downturn as well.

Restaurant Brands International

During the fourth quarter of 2008 to the first quarter of 2009, shares in Tim Hortons rose 5.1%.

Fast forward to today, Tim Hortons is no longer a publicly traded company. In December 2014, the company became a part of **Restaurant Brands International** (TSX:QSR)(NYSE:QSR). In addition to Tim Hortons, Restaurant Brands is also the parent company of popular eateries Popeyes and Burger King.

Restaurant chains with drive thru and delivery services are mostly staying open amid the coronavirus outbreak. On March 16, Restaurant Brands announced it had requested Canadian restaurant owners provide take-out, drive-thru, and delivery only in an effort to reduce the spread of COVID-19. The company closed all dining room seating at Tim Hortons until further notice.

Likewise in the U.S., all of the fast-food restaurants under the company's umbrella followed suit. CEO Jose Cil told *Yahoo Finance*, "We are open for business to feed Americans across the country." When asked if the restaurants were running low on supplies, Cil noted, "We are well positioned to continue to meet demand out there."

Loblaw Companies

Loblaw (TSX:L), which operates a network of corporate and independently operated stores across Canada, also held up well during the six months noted above. Consumer staples are classic defensive options during recessions, because they offer products people still need, regardless of economic conditions.

The company is adjusting its business to help customers during the COVID-19 outbreak. Loblaw has committed that the prices of its products will remain the same for online and in-store shopping. It is also eliminating pickup fees for items ordered online. Like many other stores, Loblaw is imposing selective hours where only seniors and others in need will be able to shop in its stores.

Dollarama

In 2008, shares of U.S.-based **Dollar Tree** posted a gain of 60.8%, outperforming the S&P by a whopping 99.3%. This bodes well for Montreal-based **Dollarama** (TSX:DOL).

On March 25, Dollarama was recognized as an essential service in some Canadian regions. Based on this announcement, the company said it will continue to operate its Montreal-based distribution centre, warehouses, and most of its retail stores in Quebec and Ontario.

This good news from Dollarama prompted a **TD** Securities analyst to upgrade Dollarama's rating, adding the company should gain market share as smaller competitors may be forced to close.

The bottom line

Restaurant Brands, Loblaw, and Dollarama are well poised to outperform during this economic downturn. Most of the outlets of these companies should remain open during the COVID-19 pandemic. This fact alone puts them way ahead of other companies trying to stay afloat during these challenging times.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:L (Loblaw Companies Limited)
4. TSX:QSR (Restaurant Brands International Inc.)

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