



2 Great Stocks to Buy in a Crash

Description

The market roller coaster we've witnessed the past few weeks has left investors scrambling for defensive stocks to weather this storm. Rather than opting for just defensive holdings that will survive, there are great businesses that hold massive long-term potential. Here are some of those great stocks to buy, and why they still are great investments for nearly any portfolio.

A great opportunity awaits — at your convenience

Despite most of us remaining in isolation, there are some great businesses that remain open. Gas stations and convenience stores such as those operated by **Alimentation Couche-Tard** (TSX:ATD.B) are one such example.

Couche-Tard operates a global network of gas and convenience stores that traverses North America and parts of Europe. Through licensing agreements, the company has operations in Asia. Couche-Tard is also actively pursuing a presence in Australia, having made multiple bids for Caltex as recently as last month. In total, the company has just shy of 15,000 locations in its global network.

In terms of results, Couche-Tard reported earnings of US\$659.9 million, or US\$0.59 per diluted share, in the third quarter of 2020. Those numbers represented a noted improvement over the US\$612.1 million, or US\$0.54 per diluted share, reported in the same period last year. But does that alone make Couche-Tard a great investment? Hardly. Let's take a moment to acknowledge the defensive nature of its business.

The defensive nature of Couche-Tard's business coupled with its insatiable appetite for growth should excite investors. Convenience stores and gas stations were deemed [essential services](#). People need to gas up, and convenience stores serve communities in isolation.

That defensive advantage has left Couche-Tard far less scarred from the market crash than what we've seen elsewhere. So far, Couche-Tard is down 17% year to date, which is faring better than the more than 20% drop the market saw in the same period. Couche-Tard also offers investors a dividend, but the 0.85% yield will hardly be a determining factor. Still, Couche-Tard is committed to growing that

dividend and announced a 12% hike last month.

This energy stock is still a great stock to buy.

While most of the news pertaining to the market crash stems from the global COVID-19 pandemic, there's another key factor to consider: oil prices. Oil prices have dropped considerably in the past few weeks. In fact, oil prices have now dropped the most since the 1991 Gulf War started to liberate Kuwait. This time, the root of the drop can be traced back to a conflict between Russia and Saudi Arabia. While this adds uncertainty to an already fragile market, it does expose some great investment opportunities.

So, how exactly can investors navigate this volatility? Enter **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)), which is one of the largest energy infrastructure companies on the planet. Enbridge maintains a massive network of pipelines that traverses the continent, hauling crude and natural gas to refineries and storage facilities.

In terms of volume, Enbridge transports more than one-fifth of Canadian crude exports to the U.S. as well as 25% of all the natural gas consumed by the United States. So, how exactly is Enbridge a great investment considering the current price weakness? Enbridge prices use of its extensive pipeline network based on the volume transported, not the price of the commodity.

In other words, for as long as demand for oil remains, Enbridge will continue to generate revenue. That revenue, which has been compared to a toll-road network, enables Enbridge to provide investors with a handsome quarterly dividend, making it a great stock to buy. Enbridge's dividend currently works out to an appetizing 8.11% yield, and the stock is down just shy of 8% this year.

Final thoughts

Selecting the right stocks to balance your portfolio in this unprecedented environment remains the key to maintaining long-term growth. An investment in Enbridge and Couche-Tard will not only provide that growth but will help keep your portfolio well diversified. Most important of all, [don't panic!](#) There are still plenty of great stocks to buy at greatly discounted prices.

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