2 Resilient TSX Stocks That Can Survive This Coronavirus Crash

Description

Even before 2020 started, experts were already talking about a possible recession.

However, no one had thought that a pandemic was going to unleash the recession all over the world. Stock markets all around the world are now in a free-fall mode, and we don't know when this will end.

With no recovery timeline in sight, it is time to invest in those resilient stocks that stand solid — ones that have gone through and recovered from bearish trends and recessions before. On the TSX, you can think about these two stocks as good buying options during such an extreme bear market.

A bank titan

One example of a good bank stock is **Royal Bank of Canada** (TSX:RY)(NYSE:RY). RBC is the largest Canadian bank in terms of market capitalization, revenues, and profits.

A market capitalization of over $100 billion and a track record of decades of dividend payments make RBC a TSX noble. The stock performance of RBC can be felt across the TSX index.

The current bear market has certainly taken a toll on RBC stock, and its value has dropped by more than 25% in the last month. However, the history, the steady growth, and future potential indicate that RBC stock can live through the ongoing bearish phase of the market.

RBC's conventional banking operation stabilizes its income and revenue. The bank has recorded a profit margin of 28.33% over the last five years. Royal Bank is aware of the needs of the future as well. RBC has ventured into digital banking to expand its client base.

As things stand today, over 80% of RBC's revenue comes from its retail and Canada-based operations. In other words, RBC has a lot of room for growth in both the international market and the online world. All of this gives us the reassurance that RBC stock can get back on track quickly.

Steady revenues

Fortis (TSX:FTS)(NYSE:FTS) is one of the largest electric utility companies in North America. It has its utility footprint spread across Canada, the U.S., Central America, and the Caribbean. What makes Fortis a resilient stock option amid the current bear trend is its nature of business. Utility companies often become a natural monopoly of respective sectors. Moreover, like other products and services, the demand for utility services is not affected by the recession.

The combination of a non-competitive market and constant product demand allows Fortis to withstand the bearish blow better than other stocks. Right now, Fortis stock has taken the hit of the bear market. However, there are strong chances that it will eventually recover from this bloodbath.

In the 2008 recession, Fortis recovered to its pre-depression value within 18-20 months. The same could happen today, if you hold your investment in Fortis for the long term.

Tough times ahead

Investors face a tough road ahead. With the stock market brought down to its knees due to the coronavirus, pick stocks that you are quite certain will emerge from the recession strongly.

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