



Market Crash – 1 Canadian Bank to Buy Today

Description

To say the market has been volatile this year would be an understatement. In just over a month we saw the **S&P/TSX Composite Index** drop by more than 50%. We've since seen it jump back to now be down only about 30% on the year.

The market crash in 2020 has caused many investors to panic and make rash decisions. It's easier said than done to remain calm during these types of market conditions. One trick is to remind yourself what your time horizon is.

Ideally, you're holding a stock position for at least five years. If that's the case, this market crash should be viewed as an opportunity to add to your winners.

Any money that you expect to need within the next one to three years shouldn't be in the stock market. Reminding yourself of your time horizon and financial objectives will help calm your nerves and help you avoid making rash decisions.

This is even more important now given the market we're in. The Canadian economy has yet to enter an official recession, but we are seeing many signs that it's just a matter of time.

If you're an investor with time on your side, make sure you have an updated watch list. Here is one stock pick that any Canadian can feel confident buying, even if we're headed for a recession.

Bank of Montreal

Financial companies were among the hardest hit in the last recession we witnessed. This time around, it seems as if all industries across the board are seeing severe drops.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)), like the Canadian economy, has had an extremely volatile year to date. At one point, the stock price had plunged almost 50% below its 52-week high. The stock has since rebounded and is now down just over 30% on the year.

The \$40 billion market cap company may be down big on the year, but there is plenty to be optimistic about for the long term. The Canadian bank can provide shareholders [growth opportunities from both its geographic footprint and products offered.](#)

In the most recent earnings report, the company announced that the U.S. accounted for roughly 30% of total net income.

Also discussed during the earnings report was the revenue allocation between the three major pillars for the bank. This includes Personal and Commercial Banking, Capital Markets, and Wealth Management.

Dividend yield

The Montreal headquartered bank boasts one of the longest-paying dividend streaks around. The bank has been paying a dividend to shareholders since 1829.

With a recession looming, this is one investment that [shareholders can feel confident about not having its dividend cut.](#)

The Dividend Aristocrat currently pays a dividend of \$4.24 per share. At today's stock price, that's equal to an astounding yield of 6.25%.

A \$10,000 investment made today in the bank would earn shareholders a quarterly check of \$155.

Foolish takeaway

Even with a 50% drop in the market at one point this year, there's a good chance there will be more volatility to come. As we near a likely recession, now is the time investors should be reviewing their investment goals and ensure that any money currently in the stock market is there to stay for at least five years.

When searching for a stock pick for your portfolio ahead of a recession, look for growth potential and stability. Bank of Montreal can offer both of those characteristics to Canadian investors and is trading at a major discount today.

CATEGORY

1. Bank Stocks
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