



Stock Market Crash: The Best Ways to Invest \$6,000

Description

Legendary investor Warren Buffett made his first investment at the age of 11 and he regrets starting late. The current stock market crash is indeed a great opportunity to invest even for newbies. Many high-quality businesses are available at discounted valuations, which will create a robust corpus in the long term.

Let's take a look at the best ways to invest in the current market scenario.

Safety is more important amid the stock market crash

Shares of **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) have lost approximately 30% so far in the coronavirus stock market crash. The wild selloff was evident given the potential loan defaults amid the lockdowns and its large exposure to struggling oil and gas sector.

Bank of Montreal stock could continue its volatility, as its bottom line is expected to take a dent in the next few quarters. However, the bank looks well placed to survive the crisis mainly because of its diversified earnings and strong balance sheet.

Bank of Montreal stock is currently trading at a dividend yield of 6%, higher than the broader markets. That means if one invests \$6,000 in BMO stock at the start of the year, he or she will generate approximately \$360 per year in dividends. This kind of passive income could be vital to supplement one's earnings as we head continue to experience uncertain times.

The latest market crash has brought Bank of Montreal stock to insanely bargain levels. Even if it has surged from close to \$60 levels since last month, the stock looks poised for more growth from the valuation standpoint.

Recession-proof, dividend-paying stocks

Utility stocks are generally perceived as boring because of their slow movements and regular

dividends. However, these so-called boring features are what investors should focus on right now in order to attain safety. Investors should consider one such top utility stock at the moment, that's **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Over 90% of the company's revenues come from regulated operations, which makes its earnings predictable and less volatile. Thus, it's better placed to maintain or rather increase its dividends over the next few years, making it [an apt pick for recession](#).

Fortis stock offers a dividend yield of 3.5% at the moment. If you had invested \$6,000 in FTS stock at the start of 2020, you'd be making approximately \$210 per year in dividends.

While Fortis stock was oddly volatile in the recent stock market crash, its valuation is attractive given its [strong dividend profile](#) and non-cyclical business.

Investors might also consider peer utility stock **Canadian Utilities**. It has [the longest dividend-paying history](#) in Canada, offering similar safety and fair growth potential for long-term investors.

Another safe investment option for investors amid this stock market crash could be index funds. One of the most popular index funds is the **iShares S&P TSX 60 Index ETF**. This fund offers diversification and safety, giving exposure to 60 largest companies across 10 sectors on the **TSX**.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BMO (Bank Of Montreal)
4. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/09/21

Date Created

2020/04/15

Author

vinitkularni20

default watermark

default watermark