



Market Crash: The Best Thing You Can Do With \$1,000 Today

Description

You might have read the constant flow of headlines telling us that markets have crashed badly in the last few months — and that now is a great time to start investing. But given that COVID-19 has caused severe economic disruptions and that we could see much worse ahead, does that approach really make sense?

You'd be right to wonder. Things could certainly get much worse from here once corporations disclose the COVID-19 damage to the financials in the upcoming earnings season. There *is* a silver lining, however. Many high-quality businesses are looking insanely cheap after the market crash.

Also, many stocks and industries that are largely immune to the pandemic and their stocks suffered along with a broad market weakness. Thus, one can start investing in such high-quality stocks that pay consistent dividends and offer high growth potential for the future.

Let's take a look at such **TSX** stocks.

Make the most of the market crash

Shares of one of the largest banks in the country, **National Bank of Canada** ([TSX:NA](#)) have fallen almost 35% since February. The bank has a high-quality loan portfolio and is the [most profitable bank](#) among the Big Six in Canada.

While muted business activities could indeed dent its earnings in the next couple of quarters, its long-term prospects look fairly good.

National Bank offers a dividend yield of 5.4%, which is higher than the average **TSX** stock. It has a long dividend payment history and hasn't cut dividends in the last 20 years. The bank has not yet announced any dividend cuts amid the market softness and looks stable enough to maintain consistent payouts to shareholders.

National Bank stock fell close to its three-year low levels last month. While it has surged around 30%

since then, from a valuation perspective, the stock is still attractive.

Safe, dividend-paying utilities

At \$4 billion, **AltaGas** ([TSX:ALA](#)) is one of the top regulated utilities and a midstream company. Its regulated operations facilitate stable earnings and — eventually — [stable dividends](#).

AltaGas stock offers a dividend yield of 6.7% at the moment, which means that if you invest \$1,000 in AltaGas stock, it will get you approximately 70 shares, which means you would make around \$67 in dividends every year.

The primary benefit of investing in utility companies lies in the non-cyclical nature of business. Even if a recession hits us in the next quarter or the market crash deepens, there will be minimal impact on utilities such as AltaGas.

AltaGas stock was notably volatile since February, albeit it seems to have stabilized a little recently, falling well below \$10 levels last month. Though it has surged recently, the stock seems to have a large potential for growth ahead.

Its stable earnings and dividends along with discounted valuation make it an attractive investment proposition for long- term investors.

Pure gold amid the market crash

While everyone is busy talking about the brutal market crash, one Canadian gold miner is sitting at decade-high levels. An \$11 billion gold producer, **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) stock has surged almost 50% thus far this year.

Rallying physical gold prices have substantially helped gold miner companies in the last few quarters. Notably, the trend might continue given the uncertainties in the broader markets. After all, recession fears and a deepening market crash could force investors to seek shelter in a traditional safe haven: gold.

Kinross Gold is a senior mining company with assets in the United States, Brazil, Chile, Ghana, Mauritania, and Russia. The company is well placed on the liquidity front, particularly in the challenging times.

In 2019, its net income increased by more than 200% year of year, which is mainly due to higher realized gold prices.

However, Kinross Gold stock looks relatively expensive at the moment, and it would therefore be prudent for investors to spread out buying over the next few months to average the cost.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:ALA (AltaGas Ltd.)
3. TSX:K (Kinross Gold Corporation)
4. TSX:NA (National Bank of Canada)

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Author

vinitkularni20

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