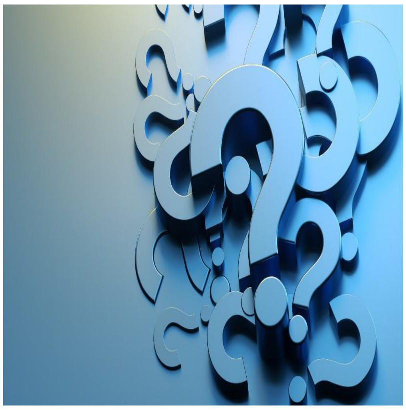

Market Crash Recovery: Did You Miss Your Chance to Buy Stocks Cheap?

Description

The fear of a market crash has always been present before the coronavirus outbreak. In 2019, market analysts were predicting a massive market correction as the longest-running bull market in history comes to an end. Most of the bear market indicators are related to economic data, job reports, and trade war.

However, a disease outbreak was never in the picture. The emergence of COVID-19 triggered a never-before-seen market selloff. Stocks came crashing while the world descends into a lockdown. With investor-friendly prices, were you able to buy top stocks at cheap prices — or did you miss your chance?

The fiscal stimulus package and the end of the oil price war should help the **TSX** recover lost ground. Prominent names such as **Bank of Montreal** (TSX:BMO)(NYSE:BMO) and **Enbridge** (TSX:ENB)(NYSE:ENB) are trading at deep discounts. Both companies are well-positioned for a market crash recovery.

Buying opportunities

BMO shares are off by 29.7% from its 2019 year-end price of $99.61. It's a fairly good deal to scoop this bank stock at its current price of $69.99. Similarly, there are no indications that BMO would be unable to pay the 6.6% dividend. Income investors value the bank because it's the longest-running dividend-paying company in Canada.

But more than the impressive dividend streak of 191 years, this $44.77 billion bank can absorb the COVID-19 shocks. According to BMO CEO Darryl White, the bank is not looking to slash dividends during the pandemic.

BMO is expecting the long-drawn quarantine restrictions to slow down the economy. Small businesses especially will virtually end up with zero cash flow. The bank is preparing to assist these businesses to recover from the crisis.

The bank CEO is confident that the bank's business growth will resume by the back end of 2020, when the coronavirus is contained, believing that there's a high probability that economies will grow in 2021.

Enbridge was collateral damage in the recent oil price war. The business of this $83.6 billion firm and leading energy infrastructure company in North America got it by the oil glut in 2020. Since $50.90 on December 31, 2019, the share price has fallen to $41.28 (-18.9%) as of this writing. The dividend yield, however, is a lucrative 7.85%.

Canada's biggest problem in 2018 was the lack of oil pipelines. Enbridge went to the task of adding more pipeline capacity in 2019 for Canadian oil producers. The company boasted of an optimum 100,000 barrels of daily oil-shipping capacity.

While Enbridge has the capacity or rationing space, the demand for Canadian crude has shrunk to low levels, the pipelines are not filling up.

The company is Canada's top exporter. Under normal conditions, two-thirds of Canada's exports are from Enbridge's massive network. It's also the source of one-third of U.S. foreign oil imports.

Extraordinary market crash

Buying opportunities open when there's a market crash. You can buy at the bottom then cash in when the market rebounds. Unfortunately, the health crisis today is more severe than the financial meltdown in 2008.

Governments are simultaneously saving lives and keeping economies afloat. It might be better to keep your cash if you're not investing in companies that can weather the storm.

CATEGORY

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