



Waste Connections (TSX:WCN): Your Top Market Rally Stock

Description

Waste Connections ([TSX:WCN](#))([NYSE:WCN](#)) is an incredible stock. Throughout several recessions and economic shocks, its growth continued unperturbed. Its resilience is a big reason why the stock is a buy amid the stock market rally.

Many investors are perplexed by the recent upturn. Canada recently revealed its worst jobs report in history. Consumer spending has fallen off a cliff. The [coronavirus](#) pandemic is now expected to hinder the economy throughout the rest of 2020. An oil shock, meanwhile, could add thousands to the unemployment rolls and reduce government revenue by billions of dollars.

Should you invest during the market rally? If you have a long-term mindset, it's almost always a good time to put capital to work. Just be careful: if the rally loses steam, you could be exposed to *significant* downside potential.

Want to [capitalize](#) on the market rally without assuming a tonne of risk? Waste Connection stock is the solution.

This stock is special

As its name suggests, Waste Connections provides waste collection, transfer, disposal, and recycling services to customers throughout North America. It has headquarters in both Texas *and* Ontario, meaning it's serious about tapping both domestic markets.

Waste collection is the epitome of a recession-proof business. During a market rally, people produce waste. When the economy is collapsing, people produce waste. This industry is incredibly insulated from volatility. Just take a look at Waste Connections stock over the years. Throughout nearly every recession, shareholders exited the crash with a *profit*.

A steady stream of business has allowed shares to deliver a consistent dividend for decades. Today, that dividend yields only 1%, but that's an acceptable rate considering the stock price has also delivered double-digit annual gains since the start of the century.

Bet on the market rally?

Many investors are asking themselves the same question: how much should I believe in the recent market rally?

The coronavirus pandemic continues to shutter large portions of the global economy. Fears could add economic headwinds for months to come. A resurgence of the virus next winter could start the process all over again.

Meanwhile, oil prices continue to slump. This week, they fell below US\$20 per barrel. For Canada, this is a disaster. Most of the country's projects require prices of US\$40 per barrel or more simply to break even. We're a *doubling* away from those levels. In the coming months, we could see unemployment numbers jump, as Canada's energy industry adjusts.

With so many long-term challenges, it's reasonable to maintain skepticism regarding the stock market rally. But it's entirely another thing to pull your capital completely. That's why stocks like Waste Connections are so compelling. They allow you to remain invested for the long term without sacrificing your sanity or sleep quality.

Should you bet on the market rally or a market drop? With Waste Connections stock, you can bet on both.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

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1. NYSE:WCN (Waste Connections)
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Author

rvanzo

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