



## Market Rally: 2 Stocks to Add Today

### Description

Even after seeing the market rally roughly 30% in one month, the **S&P/TSX Composite Index** is still down almost 15% on the year.

The global effects of COVID-19 caused the market to drop a staggering 35% in just over one month. The market bottomed out in the last week of March and has since rebounded by 30%. The market seems to have been reacting to positive news surrounding the pandemic, as the world continues to practice social distancing.

Even with a 30% market rally, the Canadian market is still down by more than 15% from an all-time high in March. While the market rally continues, here are two stocks to add before we once again hit an all-time high.

### Market rally leader

The telecom industry can provide investors with both growth and defensiveness. We could face our first recession in over a decade this year, so now is the time investors should be evaluating how their portfolios might weather the storm.

**Telus** ([TSX:T](#))([NYSE:TU](#)) is one of the three giant telecom providers in the country. The \$28 billion company offers internet, mobile, and TV services to Canadians across the country.

Even with a 30% market rally, a recession in 2020 is still possible. Should a recession occur, Telus should not expect to see profits slashed as badly as other industries. Canadians are [spending more time than ever in their homes today](#), and many are largely dependent on the internet, cable TV, and their mobile phones for entertainment.

The main growth driver that many investors are banking on from telecom stocks is 5G technology. The upgraded technology will not only increase network speeds for consumers and businesses but also improve the capacity to sync even more devices together.

Where Telus separates itself from its telecom competitors is the health industry.

The company launched its health app, Babylon, in the spring of 2019. The free healthcare platform allows individuals to check symptoms, connect directly with healthcare professionals, and access health records. Telus has continued to be very active within the health industry during this pandemic. Through virtual video calls, an increasing number of patients have been connecting directly with doctors to discuss symptoms and treatment.

## Short-term pain for long-term gain

The banking industry has had a rough go in 2020 so far. Interest rates have dropped dramatically, which has had a significant impact on the top banks in the country.

It may take time for interest rates to rise again, but for the patient long-term investor, this market rally is a great time to be adding shares of one of Canada's top banks.

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is down 25% from where it was just over two months ago. The \$100 billion company has not enjoyed a market rally as many other Canadian companies have over the past month.

Many investors are worried about the short-term future of TD, as a housing crash would be a big blow for the bank to endure. With a potential recession looming, a housing crash is not out of the question.

For long-term investors that can endure the short-term volatility, now is a time you should be considering adding this bank to your portfolio.

The bank boasts an [extremely impressive presence south of the border](#). The United States is now responsible for driving roughly 30% of the bank's total net income.

Investments made in the U.S. have already propelled the bank to be one of the largest in the country. TD is ranked in the top 10 banks in the U.S. based on asset size. What's even more impressive is that the majority of TD's expansion has been on the east coast to date. This leaves plenty of growth still in the west of the country.

## Foolish takeaway

Even after a 30% market rally, no one knows where we are headed next. We might continue to run past all-time highs made earlier this year, or we may begin dropping into an official recession.

If investors are willing to hold stocks for the long term, then there are plenty of great deals in the market today. Telus and TD may continue to see volatility in the short term, but they are both industry leaders that can expect to see growth over the long term.

Stay hungry. Stay Foolish.

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1. Investing

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1. Editor's Choice
2. market rally

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2. NYSE:TU (TELUS)
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