

Stock Market Crash Round 2: Here's What's Coming

### Description

Canadians have taken a collective sigh of relief over the past month. It seems as though a market rebound is underway. After the market crash about two months back, indexes fell almost 40% across the board. Some areas fell even deeper as the pandemic hasn't shown any sign of improvement.

But lately, that all seems to have been forgotten. Investors have gone back to stocks in droves since the market crash. There are plenty of opportunities, and plenty of people looking to take advantage of them.

However, there are many analysts out there predicting that this market crash might only be the beginning. Here's what's next.

## Market crash mayhem

We'd love to think that we're all in the clear, but there are unfortunately a number of signs pointing in the opposite direction. The market may be rebounding at the moment, but another market crash could soon be upon us.

The last market crash brought with it its own mayhem, as it wasn't just stocks that were affected. If we could all just turn a blind eye while our stocks dipped, that would be fine.

Unfortunately, the pandemic has laid waste to industries and businesses, leaving many people without a job or means of supporting their families.

This is bound to happen again as more businesses see the devastation brought by the pandemic. Even more businesses will have to decide who stays and who goes. With more layoffs and closed businesses will then come another market crash as investors lose faith in the markets.

# Rebound far off

A true rebound could be incredibly far off. Besides earnings, the pandemic itself is putting a huge amount of pressure on governments. The federal government provides aid to companies, individuals, even industries during this time.

All that help will then have to be put upon the shoulders of the tax payer moving forward. When the pandemic is over, Canadians will have to pay up — which will again end in a market crash and governments everywhere must come clean about the massive debt incurred.

Unfortunately, the pandemic isn't likely to resolve any time soon. Some analysts say it could be as late as 2024 before the waves of COVID-19 are truly over. So we could in fact see wave after wave of market crash before there is a true rebound.

## Find a winner

What you can do to protect yourself is invest in a long-term hold dividend stock. This way, you'll be able to see the stock grow over the next few decades. Meanwhile, you'll bring in cash every month no matter what is happening in the stock markets — and another market crash won't be so much of a worry.

In that case, I would recommend **Suncor Energy Inc.** (TSX:SU)(NYSE:SU). Suncor is different from other energy stocks as it is the largest fully integrated energy stock. So when the oil and gas industry is down, as it is now, there are other areas that can pick up the slack. Meanwhile, since the company is doing well, it can actually move ahead with expansion in a cheaper market.

Yet investors lump Suncor in with the rest of energy stocks, making it completely undervalued. That leaves investors with a great deal by investing today. Investing \$5,000 in Suncor today would bring in \$174.72 per year in dividends as of writing, even after a dividend cut.

#### **CATEGORY**

- 1. Coronavirus
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Date 2025/08/24 Date Created 2020/05/28 Author alegatewolfe

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