



Another Market Crash Is Coming: Buy This 1 Stock Today and Protect Your Portfolio

Description

The market crash that happened in March could end up being a warning sign before a much larger market crash hits later this year. With tens of millions of people out of work in North America, and companies struggling to stay afloat amid the COVID-19 pandemic, there's no reason to believe that the worst is over — not by a long shot. The stock market is operating on borrowed time, and it's only a matter of time before there's another crash.

What should investors do?

Investors can choose to ignore the reality that the economy is in a recession now, but their portfolios could pay for it later. That's why it's crucial investors start shedding overpriced tech stocks and instead fill their portfolios with more recession-proof stocks like utility companies.

One stock that belongs in every portfolio right now is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). While investors may scoff at the boring stock and the 3% losses it's incurred this year, Fortis will have tremendous value when stocks inevitably crash again.

In March, when the markets tumbled, the TSX fell more than 30% from where it started the year at. Fortis, by comparison, fell by 21% when it was at its lowest point for the year. However, shares of Fortis also bounced back quicker, and by April 1, the utility stock was down just 5%, while the TSX was still at a 25% decline for the year.

Fortis isn't immune to a stock [market crash](#), but the nature of its business makes it a safer stock to hold if there's a downturn. And one way that the stock can help offset any losses is through its dividend.

The stock currently pays investors a quarterly dividend of \$0.4775. At a price of around \$52 a share, that means investors who buy the stock today can earn about 3.7% annually. What makes Fortis an even better buy is that it's grown its payouts over the years. Its dividend payments have risen 12% from the \$0.425 that the company was paying two years ago.

Investors also don't have to pay a premium to own the stock. Fortis is trading at 14 times its earnings and at a multiple of 1.3 times its book value. It's a great value buy that billionaire investor Warren Buffett would likely approve of. Whether you [want a dividend](#) or are just looking for stability to add to your portfolio, Fortis is a stock that checks off all of those boxes.

In each of the company's last nine quarterly results, Fortis has been able to a record a profit margin of at least 10%. There's plenty of room for the company to handle any adversity that may come its way.

Bottom line

If investors aren't careful, they could incur some significant losses on the markets right now. Investing in a stock like Fortis may not be exciting or produce significant returns, but it can keep your portfolio relatively safe during what's a volatile time on the markets. Another crash can happen without warning, and by holding safe, blue-chip stocks in their portfolios, investors can help minimize their losses.

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1. Dividend Stocks
2. Investing

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Date

2025/07/19

Date Created

2020/06/22

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