



Stock Market Crash: Where to Invest Right Now

Description

Volatility has reared its head in North American markets in the final weeks of June. When this month started, I'd discussed how Canadians should respond to [growing fears](#) in the investing world that another market crash was looming. There are several options for investors in this environment. They can retreat to defensive stocks to shore up their portfolio in the event of a violent pullback. However, recent market retreats have also provided great opportunities to buy top stocks on the dip.

Today, I want to look at the growth trajectory of the video game industry. This is a great space to target for investors looking for long-term growth.

Market crash: Why gaming may be entering a golden age

When this year started, I'd discussed why Canadians should look to [invest in the gaming industry](#). Fast forward a few months later, and the world has undergone some monumental shifts. Traditional entertainment like the cinema has seen its decline accelerated due to the COVID-19 pandemic. Meanwhile, home entertainment options like streaming and gaming is gobbling up more market share.

The gaming industry has sought to expand its consumer base beyond young men over the past decade. This market crash has battered stocks like **Cineplex** and **AMC Entertainment**. Meanwhile, home entertainment giants like **Netflix** are riding high. Video game stocks have also performed well in 2020.

Video games are entertainment heavyweights

Grand View Research recently projected that the global video game market would achieve a CAGR of 12.9% from 2020 to 2027. Not only are more people than ever getting into gaming, gaming products are also demonstrating their dominance.

Take-Two Interactive owns two major publishing labels: Rockstar Games and 2K. In 2018, Rockstar's *GTA V* became the best-selling entertainment product in history. By late 2018, it has sold over 90

million copies and generated over \$6 billion in revenue since its initial release. In early 2020, *GTA V* and *Red Dead Redemption 2* had sold a combined 150 million units since their respective launches.

Video games can churn out monster recurring revenue through online play, DLC, and other offerings. This growth potential is one of the reasons I'm bullish on this industry, even in the face of this economic crisis. A market crash could provide an opportunity to add some of these companies at a discount.

One gaming TSX stock to watch

Canada has produced some iconic video game companies in the past. Publishers like BioWare, Ubisoft, and HB Studios have all made huge contributions to the industry. **Enthusiast Gaming** is not a publisher, but a company engaged in the building of networks of communities for gaming and esports fans around the world. Its shares have climbed 20% over the last three months as of close on June 24.

The company released its first-quarter 2020 results on May 14. It achieved record Q1 total revenue of \$7.1 million and page views increased 35% to 2.3 billion — up from 1.7 billion in the previous quarter. This small gaming company has shown promise in expanding its reach. Investors on the hunt for growth bets should consider Enthusiast in the event of a market crash.

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