



Worried About a Market Crash? Buy These 2 Stocks Now

Description

Another market crash is on the way. Don't believe it? Just ask legendary investor Jeremy Grantham, whose opinions [direct](#) more than \$100 billion in capital.

"Everything is uncertain, perhaps to a unique degree," Grantham says. That's because the gap between the stock market and the underlying economy has never been bigger.

"The market's P/E level typically reflects current conditions," he explains. "Markets have historically loved fat margins, low inflation, stability and, by inference, low levels of uncertainty."

But according to Grantham, the economy is in the *bottom* 10% in history, perhaps the bottom 1%. "This is apparently one of the most impressive mismatches in history," he concludes.

We don't know when the next market crash will occur. It could be next week — or next year. But when price and value diverge this immensely, trouble is on the way.

The prospect of another downturn doesn't mean you need to sell all of your [stocks](#). In fact, some stocks, like the ones below, could *rise* in value during the next bear market.

Protect yourself from the next market crash with companies like **CT Real Estate Investment Trust** ([TSX:CRT.UN](#)) and **Hydro One Ltd** ([TSX:H](#)).

Buy safe real estate

You've likely heard of **Canadian Tire**. It's one of the biggest retailers in the country. But did you know that it doesn't own the land that its stores are on? That privilege lies with CT Real Estate, which is effectively Canadian Tire's landlord.

This is a very lucrative position. Canadian Tire has near-complete name recognition in Canada. It has a fortress of a balance sheet, with investment-grade credits rating across the board. It rarely closes a store. There really is no better tenant during a market crash.

For example, most property stocks have occupancy rates of around 90%. The coronavirus, however, caused those figures to dip below 50% for some companies. CT Real Estate, meanwhile, still has an occupancy rate above 95%.

The best part is that Canadian Tire signs long-term contracts that span a decade or longer. One CT Real Estate contract doesn't expire until 2036!

If you want to mitigate the effects of another bear market, this is a great place to start. The 5.8% dividend should be reliable in almost any environment.

Avoid the market crash completely

There's one stock that I trust to avoid a bear market completely: Hydro One.

The secret here is to get the blessing of regulators. That's exactly what this company has achieved.

Hydro One is a middleman business. It operates power lines that cover 98% of Ontario. It's basically a monopoly. In exchange for this market power, regulators tell the company how much it can charge customers. While this caps upside, it significantly limits downside. Hydro One knows *years* in advance how much profit it will make.

Since the year began, the **S&P/TSX Composite Index** has *fallen* by 11%. Hydro One stock has *risen* by 2%. Now that's market crash protection!

This stock will never blow you away. It's the definition of a slow-and-steady business. But if markets plunge again, you'll be ecstatic that you own some Hydro One shares.

CATEGORY

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TICKERS GLOBAL

1. TSX:CRT.UN (CT Real Estate Investment Trust)
2. TSX:H (Hydro One Limited)

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