Before the Market Crashes: Where to Invest $5,000 Right Now

Description

With COVID-19 cases starting to pile up again in the U.S., it's becoming that the pandemic is nowhere near over. And that means a market crash is likely coming sooner rather than later. But there are still safe investments on the markets.

Below, I'll show you two stocks that you can invest $5,000 in today that can protect your portfolio and minimize your losses when the next market crash hits.

Thomson Reuters

For risk-averse investors, **Thomson Reuters** (TSX:TRI)(NYSE:TRI) can be a solid investment to hold in your portfolio right now. When the markets were crashing in March, shares of Reuters only briefly dipped below 15%. The **TSX**, meanwhile, would sink nearly 35%.

What makes Reuters a solid investment to hold right now is that it's not very volatile. With a five-year beta of around 0.3, the stock's relatively stable compared to the markets. One of the reasons for that is that Reuters is in the business of providing information, which is more important than ever in today's world.

With so many sources of information to choose from, consumers can easily be misled by incorrect or deceiving information. The Reuters name carries a great deal of weight when it comes to information, and it's a competitive advantage the company has in its industry.

Its strong brand makes it an investment you can buy and forget about. It showed resiliency during the March market crash and it'll continue to show resiliency over the long term.

Reuters also pays its shareholders a dividend, which today yields around 2.2%. It's not a bad return, and even if that's all you earn from the stock, it's still better than holding cash in your bank.

Shaw

Shaw Communications (TSX:SJR.B)(NYSE:SJR) is a more volatile stock than Reuters and has fallen 15% year to date. While the decline may be concerning for investors, it shouldn't deter them from buying the top telecom stock. After all, one of the benefits of the lower share price is that Shaw's dividend yield is now higher.

Its dividend payments are made every month, giving investors more frequent payouts than they'd get with other dividend stocks. On an annual basis, investors today will be earning about 5.3% per year.

If you were to invest $5,000 into Shaw, you'd be making about $265 per year at that dividend yield. On a monthly basis, that would work out to a regular payment of just over $22.

While it may not be a massive payout, every little bit counts and it can be a key piece of your portfolio that produces recurring income. At a price-to-earnings multiple of 16 and less than two times its book value, the stock also makes for a decent value buy.

Investors have paid more for shares of Shaw in the past, and buying on the dip could set you up for some strong returns in the months ahead as the economy starts returning to normal after the COVID-19 pandemic.

Shares of Shaw have generally seen strong support at the $22 mark this year — and could be a great price to buy the stock.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:SJR (Shaw Communications Inc.)
3. TSX:SJR.B (Shaw Communications)
4. TSX:TRI (Thomson Reuters)

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