



Market Crash 2020: Don't Miss a Once-in-a-Lifetime Investing Opportunity

Description

The TSX's recovery has been flattening out for a while. It's still 12.5% down from its pre-crash high, and if we go by the pessimism of economists and financial experts, another crash might be lurking in the near future. It is depressing news for still-wounded portfolios that are still recovering from the loss of capital growth they had accumulated over the years, but it's also good news for investors in general.

If the stock market and the bulk of the stocks plunge about 30-40% again, it would be an amazing buying opportunity for many investors. They would be able to cherry-pick some of the best growth and dividend stocks from a variety of industries, effectively diversifying. It's likely to be a once-in-a-lifetime opportunity, and you can shorten the time it takes to reach your investment goals by several years.

Real estate sector

A stock from the real estate sector that deserves your attention if the market falls again is **Northview Apartment REIT** (TSX:NVU.UN). It's a stable dividend stock with a payout ratio of 42.7% and a juicy yield of 4.7%. The yield is going to become even more attractive if the stock falls about 25% again in the next crash, just like it did in the March one, from which it [has already recovered](#).

Northview's balance sheet is strong, but the cash from operating activities took a hit in the first quarter. But it seems like a manageable loss, one that the company is likely to recover from very soon. Its strength is its affordable rental properties in a geographically diversified portfolio. Therefore, even if a few areas see high vacancy rates due to the loss of jobs in the regions, the rest of the portfolio will be relatively safe.

Industrial sector

Toromont Industries ([TSX:TIH](#)) is a long-standing Dividend Aristocrat in the industrial sector. The company is currently offering an [unflattering yield](#) of 1.87%, but it's likely to change if the stock craters again. Toromont is very generous with dividend increases and, in the past five years, has inflated its payouts by 72%.

Both of the company's operating wings — heavy machinery and refrigeration — thrive in a stable economy and industrial growth phase. Still, despite the economic downturn, Toromont managed to recover swiftly after the crash, and it's just 10% down from its pre-crash high. It means that its five-year (dividend-adjusted) returns are at a decent 129%, and the CAGR is 18%.

Energy sector

The third stock is from the currently disgraced energy sector, but the company isn't following the slow-recovery pace of its peers. The small-cap **TerraVest Industries** ([TSX:TVK](#)) is already trading for 18% higher than its start-of-year valuation. It prepares home-heating products, propane, ammonia, and NGL vehicles. Since it serves a diversified market, it didn't go down the same way the rest of the sector did.

Currently, TerraVest offers a dividend yield of 2.57% and a five-year (dividend-adjusted) CAGR of 24.5%. The company has a stable balance sheet and offers a decent return on equity of 21.4%. If another crash comes, TerraVest will become a desirable stock in terms of both growth and dividend yield.

Foolish takeaway

Hoping for a market crash seems a bit cruel, but planning for a market crash is pragmatic. If you have enough liquidity, or if you can manage to arrange enough cash, another market crash will be the best time for you to strengthen your investment portfolio. I would recommend taking whatever benefit you can from this crash because, after a protracted downturn, the market might get on a consistent recovery track.

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1. Dividend Stocks
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