



3 Stocks I'll Be Buying When the Market Crashes Again

Description

COVID-19 is a big problem for humankind *and* the economy. Global confirmed cases have passed 15.5 million, and experts believe that the real numbers are actually at least 150.5 million. It has also cruelly taken more than 634,700 lives.

Around the globe, governments are mandating closures in certain businesses. These economic lockdowns are intended to slow down the spread of the virus. As a result, many businesses are bankrupt or on the verge of bankruptcy.

Individuals must also do their part to limit social gatherings, maintain social distancing, as well as wear masks in public areas (especially indoors).

Some people pull down their masks when they're outside to take a breather. However, visualize the inside of the mask touching their necks, where there's exposure to viruses and bacteria! And then, they wear that same potentially contaminated mask when they go indoors again...

Although Canada appears to be faring better in limiting the spread of the virus, it looks like the world's war against COVID-19 is far from over, which could result in another stock market crash.

With that backdrop in mind, there are three stocks I'll be buying when the stock market crashes again.

Shopify

I [recommended](#) buying **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) stock in late September 2019. Since then the stock has nearly tripled investors' money! At US\$929 per share at writing, it trades at almost 63 times its trailing 12-month sales!

Other than its sky-high valuation, there's another reason why it's not easy holding onto the growth stock. In the last correction earlier this year, SHOP stock lost more than 40% of its market value!

It can happen again in the next market crash, which would bring the stock down to about US\$557 per

share. If so, it'd be an incredible entry point then.

Investors seeking high growth should consider accumulating the disruptor on corrections of 20-40%.

A&W

A&W Revenue Royalties Income Fund ([TSX:AW.UN](#)) suspended its cash distribution from April to June due to COVID-19. It reinstated the dividend this month, nearly 63% of what it was before. The new monthly cash distribution of \$0.10 per unit represents a yield of 4.1%, as the stock trades at about \$29 per unit.

Notably, this fund pays out dividends from royalty income collected from 971 A&W restaurants across Canada. The locations in the U.S. and other parts of the world operate independently from the Canadian operations. This is a good thing given that the COVID-19 situation is relatively better in Canada than in the U.S.

At the peak in Q2, almost 24% of the locations were closed. Moreover, the stores that are opened are required to operate at restricted levels. Consequently, Q2 experienced same-store sales decline of 31.6% versus Q2 2019.

Thankfully, the closed locations have since progressively reopened. However, stores may be forced to close again if the COVID situation worsens in Canada.

A&W is a quality brand. In the next market crash, it would be worthwhile to buy for its long-term, normalized cash flow.

Brookfield Asset Management

With interest rates expected to be low for an extended period, more investors will allocate more of their net worth in real assets.

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) will be riding on this secular growth trend for the next decade if not longer. It owns, operates, and manages global real assets, including real estate, infrastructure, renewable power, private equity, and credit.

Some of these assets are more sensitive to economic contractions than others. Nevertheless, [BAM](#) aims for long-term annualized total returns of 12-15%.

Since the growth stock has sold off, now is a good time to accumulate shares. However, if it gets even cheaper in another market crash, investors should highly consider backing up the truck!

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:BN (Brookfield Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:AW.UN (A&W Revenue Royalties Income Fund)
4. TSX:BN (Brookfield)
5. TSX:SHOP (Shopify Inc.)

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