3 TSX Stocks That Could Withstand a Market Crash

Description

The global financial markets have recovered strongly after bottoming out in March. Currently, the S&P/TSX Composite Index trades just 2.8% lower for this year. The government's stimulus packages and optimism over the reopening of the economy have supported the recovery.

However, the weak economic indicators, such as the high unemployment rate, are a cause of concern. Also, the COVID-19 infections are still on the higher side. So, there is a high probability that the market could crash again. Meanwhile, I believe the following three stocks could protect your portfolio from the downside risk in case of the market crash.

Cargojet

My first pick would be **Cargojet** ([TSX:CJT](#)), a cargo airline company. Yesterday, it reported strong growth in its second-quarter sales. Its revenues came in at $196.1 million, which was over 50% higher than analysts' expectations.

The growth in e-commerce sales drove its revenue. Apart from large online retailers, many medium- and small-scale businesses have also taken their shops online amid the pandemic, which has contributed to e-commerce sales growth.

Notably, e-commerce sales still form a small percentage of Canada's retail sales, indicating a significant growth potential. Also, the ongoing shift in consumer behaviour towards online shopping could have a positive impact on e-commerce sales in the long run.

Meanwhile, Cargojet, with its competitive advantage of scale and unique overnight delivery service, could benefit from this surge in e-commerce sales. Also, the majority of its customers have signed long-term contracts. So, its revenue and cash flows are stable.

Real Matters

Real Matters ([TSX:REAL](#)) is my second pick. It services mortgage lenders and insurance companies through its proprietary platforms and strong relationships with field executives. The stock is up over 165% for this year. However, I believe that the downside risk for the stock is minimal, given its competitive advantage and growing addressable market.

The federal banks of both the United States and Canada had slashed their interest rates to boost economic activities after the pandemic-infused slowdown. The decline in interest rates had led to a surge in refinancing activities, leading to an increase in the need for Real Matters's services.

If the markets crash again, the federal banks could be forced to delay the raising of interest rates, which could benefit Real Matters. So, I believe this stock could withstand a market crash.

Kinross Gold

Gold has always been a safe-haven asset. Whenever the global equity markets become volatile, investors find safety in gold. This year is no different. Amid high volatility in the global equity markets, gold prices have increased by over 50%.

Kinross Gold ([TSX:K](#))([NYSE:KGC](#)), which mines for gold and silver, has benefited from this surge in gold prices. Year to date, the company is up by over 110%, supported by its strong second-quarter performance.

Its revenue increased by over 20% year over year, while its adjusted EPS grew by over 150%. During the quarter, the company's attributable margins improved by 53%, driven by a higher average realized gold price and increased production from its low-cost mines.

Meanwhile, the [upside in the company's stock price is not over yet](#), as gold prices could surge even higher given the volatility in the stock markets. As [reported](#) by *Business Insider* on July 28, **Goldman Sachs** had raised its 12-month price target for gold from $2,000 per ounce to $2,300 per ounce. The new price target represents an upside potential of 13.5%. So, I believe the downside risk for Kinross Gold is low.

CATEGORY

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1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:CJT (Cargojet Inc.)
3. TSX:K (Kinross Gold Corporation)
4. TSX:REAL (Real Matters Inc.)

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Date
2025/08/27
Date Created
2020/08/07
Author
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