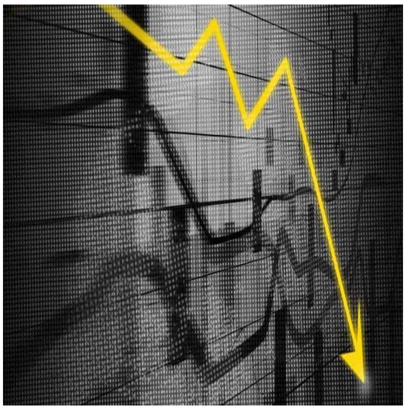

3 Top Stocks to Buy Before the Stock Market Crashes Again in 2020

Description

Speculation is rife that the stock markets could crash again in 2020. Government support and the rush to bring a COVID-19 vaccine to the market fueled one of the fastest recoveries in the stock markets that I have ever seen.

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Over the last four months, the Canadian stock market recovered most of its lost ground with the majority of top TSX stocks rebounding strongly. However, the stock market's recovery without economic revival indicates that we are heading towards another stock market crash.

After all, the negative impact of the pandemic on the economy is still unknown. Meanwhile, a high unemployment rate and weak economic data amid rising coronavirus cases could push us into a recession.

So, before the stock market crashes again, adding these three stocks in your portfolio could help protect the downside risk and generate healthy growth and income.

Top gold stock

Considered a safe-haven asset, gold remains the top investment amid market turmoil. As prices of gold are hitting new highs, it's prudent to invest in the shares of the gold mining companies for higher returns and protection against a stock market crash.

Speaking of gold mining companies, **Barrick Gold** (TSX:ABX)(NYSE:GOLD) tops the list. Its stock has surged nearly 59% this year and could rise further on higher gold prices amid the fear of recession.

Its revenues have surged about 39% in the first six months of 2020. Meanwhile, adjusted EBITDA soared nearly 60%. Strong revenues and higher margins have driven its earnings higher, which has more than doubled in the first half. Besides, Barrick Gold has managed to significantly reduce its net debt and also announced a 14% hike in its quarterly dividend.

Overall, Barrick's high-quality mines, leverage to the gold price, strong cash generation, and reduction in net debt positions it well to continue to generate strong growth irrespective of where the stock market moves.

Bet on predictable cash flows

Fortis's (TSX:FTS)(NYSE:FTS) predictable cash flows and rate-regulated business make it a top investment choice amid expectations of a stock market crash. The company derives almost all of its earnings from the rate-regulated utility assets, implying that economic downturns are unlikely to hurt its earnings and its stock.

The company expects a high-single-digit increase in its rate base in the coming years, which should support its earnings and, in turn, its payouts. Fortis has been consistently raising its dividends for the past 46 years and expects to increase it further at an annual rate of 6% over the next several years.

Fortis stock is likely to stand tall amid stock market volatility and continue to boost investors' returns through its healthy dividend yield of 3.5%.

Relying on top consumer stock

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Before the stock market crashes again, investors should add shares of **Loblaw** (TSX:L) in their portfolio for safety and stability. Being the largest food retailer in Canada, Loblaw benefits from consistent demand for its offerings, irrespective of economic situations.

Meanwhile, Loblaw's multiple store formats and an extensive network of food and drug stores appeal to customers of all demographics, driving traffic and ticket size.

Further, the company is ramping up its e-commerce offerings, which bodes well for growth and should accelerate traffic and same-store sales growth as more and more people are moving online to shop.

Loblaw's defensive business should help in protecting the downside amid wild market swings.

Bottom line

Investors should note that these three stocks have a stable business that should continue to perform well amid an economic downturn. A stock market crash will not have much on an impact on these TSX stocks.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks

TICKERS GLOBAL

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:FTS (Fortis Inc.)
5. TSX:L (Loblaw Companies Limited)

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