
This Hapless Stock Market Could Crash at Any Moment

### Description

The COVID-19 outbreak is far from full containment, yet the **TSX** continues to defy the health scare. However, the ground where investors walk on is still shaky. Billionaires, investment gurus, and market analysts are singing the same chorus. The hapless stock market could crash at any moment.



Global stock markets went into a tailspin in mid-March 2020 due to COVID-19. It was the most tumultuous period in stock market history. But five months after, Canada's main index has successfully pared down the losses. The environment is still highly volatile, given the disconnect between the market rally and a deteriorating economy.

## Crucial factors

The development of a COVID-19 vaccine will end the market uncertainty once and for all. Equities around the world got a boost when news emerged that clinical trials are in the third and final phase. The disturbing thing is that a freefall could happen again if the outcome of these trials proves unsuccessful.

While waiting for the vaccine, other factors can disrupt the stock market's advance. The U.S. presidential elections are coming up in November, and the accompanying political drama plus the election outcome could trigger a negative reaction.

Furthermore, a resumption of the trade war between the world's top two economic powers could destabilize the investment landscape. On August 15, 2020, the U.S. and China postponed the review of their recent phase one trade deal. No reasons were given for the postponement and no new date for the review was announced.

## Fiscal snapshot

For Canada, the expensive COVID-19 Response Plan will push the country's deficit to $343 billion. The immediate impact of the mounting deficit is the rise of the federal debt load to $1.1 trillion in 2020 to 2021. The country's fiscal snapshot doesn't look right. Given the magnitude of the costs, economic recovery might take years.

## Safe asset

The predictions of an imminent market crash are alarming. If you want to invest or stay invested, pick or move to the TSX's top defensive stock. Even if the crash comes suddenly, you have peace of mind. **Fortis** (TSX:FTS)(NYSE:FTS) is as precious as physical gold and bonds.

The $24.72 billion electric and gas utility company is proving resilient again in the wake of the 2020 health crisis. Fortis investors are gaining 1.41% thus far this year. The gain appears minimal, but it tells you that this utility stock does not suffer from wild price swings like other overvalued stocks.

You invest in Fortis for its defensive qualities, safe dividends, and uninterrupted income stream. At the price of $53.21 per share, the dividend yield is a respectable 3.62%. There's no threat of a dividend cut whatsoever due to the low-risk nature of the business. The dividend streak of 50 years lends additional comfort to current shareholders and prospective investors.

## No worries



The doomsayers can't tell the exact period, but they are sure a second market carnage will happen. You can disregard the warnings or prepare for it. However, if Fortis is your core stock holding, you have capital protection whether the rally continues or the predictions materialize.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/08/25

**Date Created**

2020/08/25

**Author**

cliew