# The 1 Stock I'd Buy After the Market Crashes Again

### Description

It's hard to predict the stock market as a whole, but it's also not super easy to predict one or two companies' movement. You may predict (to a certain degree) where the stock will be moving in a week or two. Still, accurately pinpointing stock movements are almost impossible, because one of the most erratic elements behind the stock movement is investor sentiment.



This is a problem investors face during a market crash when sentiment around stocks fluctuates even more erratically. Pessimistic investors might start dumping companies, fearing they might not get that good a price for a very long time. A small burst of recovery might nudge value investors to buy, fearing that the stock might once again become overvalued.

All of this confusion and commotion in a market crash makes it harder to pinpoint when a company/stock has truly hit rock bottom. Therefore, chances of buying a company at its absolute worst price (during a crash) are still not as strong as you might want them to be, even if you are following the stock closely. But that doesn't mean you shouldn't try.

## My favourite stock for the market crash

My favourite stock for when the market does crash again is **goeasy** (TSX:GSY). While the stock still hasn't recovered to its pre-pandemic highest valuation yet, it has come quite close, and its recovery has been magnificent. From its lowest point in March, the stock has grown over 187% in less than half the year. It's a feat matched by relatively few stocks and even fewer in the financial sector.

But growth is nothing new to this excellent stock. It was a robust growth stock even before the crash. Even in its currently discounted state, the company has a five-year (dividend-adjusted) CAGR of 36.24%, and it has returned 369% to its investors in the past five years. It has a proven track record of capital growth and the current example of its potential for recovering from crashes.

While these two are reasons enough to bag this little finance stock, there is a third reason: its dividends.

## The company and dividends

goeasy has recently been included in the Dividend Aristocrat list for increasing its dividends for five consecutive years. And just as the case is with its capital appreciation prowess, the company's dividend increase rate has also been exceptional. From $0.125 per share in 2016, goeasy has increased its dividends to $0.45 per share in 2020. That's a 3.6 times increase — something you rarely (if ever) see in mature Dividend Aristocrats.

The company has been around for 29 years. It has granted loans to over one million customers. The company has over 400 locations in the country, equating to a decent national footprint. It also launched an e-commerce platform in collaboration with PayBright. The company has been growing its revenue for 18 consecutive years and has an adequately strong balance sheet.

## Foolish takeaway

While the company didn't exactly crush it in the second quarter, its numbers were far better than many other similar companies in the financial sector. It increased its revenue by a slight margin and net income by a substantial margin compared to the second quarter last year. Despite its growth potential, it's decently valued, and another crash might make the valuation much more potent.



**CATEGORY**

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