



September Market Crash: Buy This On-Sale Dividend Stock Before It Bounces Back

Description

Stocks took a turn for the worst on Monday, with the **S&P 500** leading the downward charge to flirt with [correction](#) territory before bouncing back modestly by session's end. The **TSX Index** was also dragged lower on the day, now sitting 11% below its pre-pandemic all-time highs.

While there's no telling whether this correction will evolve into a market crash, it's wise to start doing some buying in case we're close to an end. There's no bell that goes off to mark the end of a sell-off, so if Mr. Market has thrown a swingable pitch your way over the past week, you should swing and not pay too much merit to the talking heads on TV who claim to know where the markets are headed next when in reality they have no idea.

You see, when the [market crashes](#) (or corrects), you've got a chance to nab your favourite stocks at wider discounts to their intrinsic value ranges. Although fear and panic is in the air, the real fear of investors, especially youngsters, is wasting the market crash. A market crash is a buying opportunity, and if you're left empty handed when it comes time to rebound, you probably feel like someone who missed the door crasher deals after a boxing day blowout.

Now, you shouldn't back up the truck at any one instance in time, but you should do some buying because in the depths of corrections and crashes are when the risk/reward trade-off is the best. And for someone seeking to score excess risk-adjusted (market-beating) returns, buying at times when others are selling is a must.

So, if you've got cash on hand and are hungry for a bargain now that most major indices are officially in correction territory, consider a blue-chip darling like **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)), an undervalued dividend (growth) stock that reeks of undervaluation after September's brutal sell-off.

Renewable energy projects power Algonquin's sustainable dividend growth

Even we're still in the early innings of this market crash, as some bears believe, Algonquin is one of the names that will likely exhibit dampened downside, as shares are already battered. The company has felt pressure from the COVID-19 impact, but its cash flows still remain relatively robust.

While the unprecedented crisis is not done yet, with a bet on Algonquin, you'll position yourself to do reasonably well, regardless of what happens next with this pandemic or the U.S. presidential election.

Algonquin is one of the dividend growth stocks that you should seek to buy whenever it dips, regardless of what's troubling the broader markets or what doom and gloom sentiment is plaguing the broader economy. At the time of writing, Algonquin is down over 16% from its pre-pandemic highs.

Although the company hasn't been the most resilient utility to own amid this crisis, I do believe there's considerable year-ahead upside for those willing to stand by the company that still has its long-term fundamentals fully intact.

Foolish takeaway

The company owns and operates some stellar renewable and water utility assets, making it a vital business in all environments. If you're looking for a risk-parity play amid these choppy market waters, but don't want to risk your shirt in case things get uglier, Algonquin ought to be at the top of your shopping list.

CATEGORY

1. Coronavirus
2. Dividend Stocks

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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