3 TSX Stocks to Buy if the Market Crashes

Description

Provincial governments across Canada have moved to take precautions, as fears of a second wave outbreak of COVID-19 have built. The initial outbreak has already devastated the Canadian economy as well as its global partners. Markets rebounded nicely after falling sharply in February and March, but investors cannot ignore the warning signs. Today, I want to look at three TSX stocks that are dependable options in the event of a market crash.

Market crash: Why Fortis is the perfect defensive stock

It is no secret that I've been consistently bullish when it comes to **Fortis** (TSX:FTS)(NYSE:FTS) stock. The St. John's-based utility is one of the most reliable TSX stocks in the secure utility space. Shares of Fortis have climbed 1.4% in 2020 as of close on September 24.

In Q2 2020, Fortis and its peers continued to deliver essential services to their Canadian customer base. Adjusted net earnings came in at $0.56 — up from $0.54 per share in the second quarter of 2019. Best of all, the company maintained its five-year capital plan of $18.8 billion and kept its dividend-growth guidance. Fortis's spectacular dividend history is one of the main reasons I trust this TSX stock in a market crash.

Fortis has delivered dividend growth for 47 consecutive years. It currently offers a quarterly dividend of $0.4775 per share, which represents a 3.8% yield.

Grocery retailers were bright spots in 2020

Retailers with large brick-and-mortar footprints were hit hard during the COVID-19 pandemic. However, Canadian grocery retailers offered essential services that made them a reliable buy-and-hold target. **Metro** (TSX:MRU) is a Montreal-based grocery and pharmaceutical retailer. This TSX stock has increased 19% so far this year.

The company released its third-quarter 2020 results on August 12. Sales increased 11.6% year over year to $5.83 billion with food same-store sales achieving 15.6% growth. Adjusted net earnings climbed 18.2% from the prior year to $272.3 million. Moreover, this pandemic has allowed grocery retailers to bolster their e-commerce offerings. This can only be good news, as retailers were nervous about the challenge posed by **Amazon** in this space going forward.

Metro stock last possessed a price-to-earnings (P/E) ratio of 20 and a price-to-book (P/B) value of 2.6. This puts the TSX stock in solid value territory. I'm still targeting grocery retailers in the event of a market crash.

This "sin stock" is worth holding in a market crash

"Sin" industries like alcohol, gambling, tobacco, and a handful of others have historically shown resilience in the face of recessions. The robustness of these industries has been overstated in the past, as they are not impervious to broad downturns. However, during the COVID-19 pandemic, the alcohol space has been red hot.

Corby Spirit and Wine (TSX:CSW.A) manufactures, markets, and imports spirits and wines. Its shares have increased 1.9% in 2020. Corby released its fourth-quarter and full-year results for 2020 last month. Net earnings climbed 4% year over year to $26.7 million, or $0.94 per share. This is very impressive in the face of the COVID-19 pandemic.

This TSX stock last had a favourable P/E ratio of 16 and a P/B value of 2.4. Moreover, it offers a quarterly dividend of $0.20 per share. This represents a strong 5.3% yield. I love Corby stock in this uncertain environment. If a second market crash hits, this is a stock you can count on.

CATEGORY

1. Coronavirus
2. Investing

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2. TSX:CSW.A (Corby Spirit and Wine Limited)
3. TSX:FTS (Fortis Inc.)
4. TSX:MRU (Metro Inc.)

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