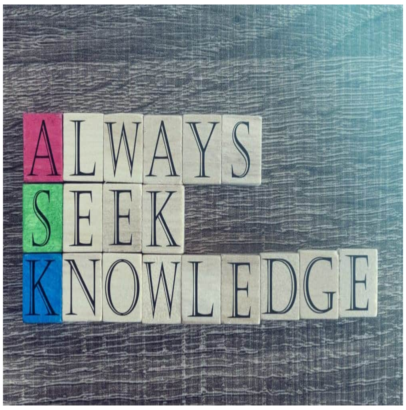

Canada Stock Market Crash Rumours Overblown

Description

The stock market is still experiencing volatility from uncertainty surrounding COVID-19. Some experts are warning the world that normality may not return until mid-2021 or even as late as 2022. This is not good news for the **Toronto Stock Exchange**.

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Restaurants, hospitality, and small businesses are feeling the brunt of the pain. These losses represent a decline in consumer spending overall. In the broader market, investors shouldn't be surprised to see revenue declines.

Economic stimulus boosts stock market

Luckily, governments are still pushing through economic stimulus measures to subdue calamity. For example, Canada is transitioning CERB to the Canada Recovery Benefit (CRB) to help families and individuals most in need during this difficult time.

This economic stimulus will go a long way to propping up economic activity and keeping money flowing in the economy.

While the markets may be in a precarious position, stock market investors should focus on buying opportunities versus selling. Market falls are shorter than stock market rises.

Keep cash in your accounts

The best decision any investor can make is to maintain a good balance between cash and stock market investments.

If an investor has enough cash on hand to weather difficult times, then temporary declines in the value of a retirement portfolio shouldn't be a long-run concern.

Moreover, the best time to buy stocks in the market is at the lows. Having cash on hand is powerful when the market falls. Investors can easily pick up cheap stocks with a great reputation.

Power Corporation of Canada

Power Corporation of Canada (TSX:POW) is a solid option. This holding company with investments in insurance and wealth management will likely still be just as powerful in 20 years as it is today.

Power Corporation of Canada stock now offers a dividend yield of around 6.74% at the current share price of $26.56 at the time of writing. The stock price hit a 52-week low of $17.47 in March, dropping from a 52-week high of $35.15.

The price-to-earnings (P/E) ratio is only 10.20, making this a pretty good value and income investment for your retirement portfolio, Tax-Free Savings Account (TFSA), or Registered Retirement Savings Plan (RRSP).

Ultimately, Power Corporation of Canada is a great long-term investment that every Canadian should consider adding to their investment mix.

Where is the stock market heading?

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No one knows where the stock market is going to go from here. In the long run, the market is more likely to rise than fall. There may be some short-term dips on the horizon. The market isn't going to go up or down indefinitely.

That being said, Canadians should leave short-term investing to risk-loving day traders and focus on making good long-term decisions with their finances. As long as you have enough cash to meet your basic living expenses and unpredictable emergencies in the short term, don't worry about what the market is going to do in the next days or weeks.

Having a safety net will take off stress from investing decisions. Instead of worrying, focus on adding to your stock positions when the market is down.

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