



Worried About a Stock Market Crash? Here Are 2 TSX Stocks to Buy

Description

Many investors are worried that another stock market crash is around the corner, as governments reduce fiscal stimulus measures to prop up the economy. The COVID-19 crisis has impacted the stock market, small businesses, and self-employed individuals all over the world. Moreover, inflation fears, as federal reserve banks announce commitments to low interest rates, are driving investors to gold assets.

Wherever you are in your investment journey, one thing that you should consider before making any investment decisions is the time horizon that you might need the cash. [Stock market investing](#) should be a long-term endeavour for most shareholders. A long-term mindset helps ease stress when markets tumble.

Emotions have no place in responsible investing. The key to succeeding in the stock market is to maintain a healthy balance between cash and stocks. Then, if the market does fall, you know that you have cash on hand for emergencies and time to wait for the rebound.

Here are two stocks that you might want to consider buying this year.

Yamana Gold stock benefits from record gold prices

Yamana Gold ([TSX:YRI](#))([NYSE:AUY](#)) fell to a 52-week low of \$3.11 during the March 2020 market sell-off before soaring to a 52-week high of \$9.29 per share. At the time of writing, the stock is selling for \$7.86. The annual dividend yield is low at 1.19% but still adds an income boost to a stock portfolio.

Yamana Gold's earnings report highlighted less than expected free cash flow for the second quarter due to the COVID-19 pandemic's effects on productivity:

"Net free cash flow of \$60.3 million and free cash flow before dividends and debt repayments of \$38.3 million, adjusted for the costs incurred in association with COVID-19. Without normalizing for the impact of temporary suspensions, standby and other

incremental COVID-19 cost outflows, net free cash flow, and free cash flow before dividends and debt repayments would have been \$41.1 million and \$19.1 million respectively.”

Gold is doing exceptionally well this year, as federal reserve banks around the globe commit to low interest rates. Inflation concerns drive investors to gold to preserve the purchasing power of their cash. Thus, the [price of gold](#) has reached 10-year highs.

Gold is a great investment. But gold stocks may not typically be the best way to invest in this commodity. Nevertheless, Warren Buffett, who is usually skeptical regarding gold stocks, recently made a big purchase in a TSX commodity stock.

First Quantum Minerals is resilient during COVID-19

First Quantum Minerals ([TSX:FM](#)) hit a 52-week high of \$14.85 after falling to a 52-week low of \$3.11 in March. The stock is now trading for \$12.90 at the time of writing. The dividend yield is hardly anything to consider at 0.078% annually.

Philip Pascall, chairman & CEO, commented on record-low unit costs and the firm’s resiliency in meeting challenges associated with the COVID-19 pandemic:

“Although the second quarter of 2020 has brought unprecedented challenges around the globe, the company has shown resilience and performed very well financially and operationally. Copper production from our Zambian operations, in particular, was strong and Sentinel achieved record low unit costs for the quarter.”

Lower costs are great news for this minerals firm. Further, bullish analysts exist for this materials stock. If they are right, there could be a decent upside from owning this stock over a one-year period.

If you do buy into First Quantum Minerals stock, pick up shares slowly and preferably on days when the stock is trading lower. There are risks with every investment. The trick is to avoid both fear and over-confidence in your investment decisions.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:AUY (Yamana Gold)
2. TSX:FM (First Quantum Minerals Ltd.)
3. TSX:YRI (Yamana Gold)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Metals and Mining Stocks
5. Stocks for Beginners

Date

2025/08/15

Date Created

2020/09/26

Author

debraray

default watermark

default watermark