



A COVID-19-Resilient Stock That's Defying the Laws of Gravity

Description

With a [second wave](#) of COVID-19 cases that threatens to bring the economy back into [lockdown](#), we could see mild investor optimism and complacency turn into with panic and self-doubt' the second wave could realistically dwarf the first.

There's no telling just how much worse this horrific pandemic could get and many more months' worth of shutdowns we'll be in for. Although the Fed is standing in the corner of the investor, with ample liquidity that has few places to go with interest rates as low as they are, one shouldn't rule out another devastating market crash, as we could be in for a disastrous end of the year. Stocks that have been feeling the full impact of the crisis could fall under further pressure, and the pandemic-resilient names look poised to continue defying the laws of gravity.

In the face of a second wave, investors shouldn't waste their energy panicking. Instead, they should evaluate the situation and position their portfolio so it'll be ready for another round in the ring with Mr. Market, who may be swinging for the fences going into year-end. That means bringing your exposure to COVID-19 risks to levels you'd be comfortable with and battening down the hatches with much-neglected defensive dividend stocks that can help keep your portfolio grounded once we exit the eye of the hurricane.

In the face of a worsening crisis, it's wise to play defence

Jamieson Wellness ([TSX:JWEL](#)) is a defensive Canadian stock surging in the face of the latest market correction. With a pipeline of bad COVID-19 news that'll come flowing in, it's these such names that Canadians should look to if their portfolio is positioned with the assumption that COVID-19 will be gone early next year.

While such COVID-hit stocks like **Air Canada** could double or triple over a short time frame on the advent of a vaccine, it's also possible that a worst-case scenario (the pandemic drags on past 2021) could propel the airline to the brink. As such, investors should have a backup plan to deal with a potential storm that could hit as suddenly as the market crash back in February and March.

Even if you think COVID-19 will be conquered at some point next year, it still pays dividends to prepare your defences with pandemic-resilient names in case you're mistaken. It's nice to be optimistic about vaccine progress, but it's also wise to acknowledge that few things in this world are more unpredictable than biology.

Jamieson is a vitamin, mineral, and supplement (VMS) maker that's turning 100 years old in just over a year. Despite being an old-fashioned company in a boring, commoditized industry, Jamieson actually has built a sizable moat for itself in its powerful brand, which is seen as a seal of quality. The firm's brand power has been built through generations, and many people reach for the green-capped vitamins at the grocery store without thinking twice, even if the cheaper alternative would have saved them a few bucks.

When it comes to your health, it's unwise to cheap out, as unproven supplements may not deliver promised doses. With impeccable quality control standards, Jamieson is a best-in-breed player with a promising international growth runway. Jamieson is already a top foreign brand in China, and with new lines of products coming out, I see Jamieson growing at a rapid rate over the next decade, regardless of when this pandemic ends.

Foolish takeaway

Shares of Jamieson surged 3.3% on Tuesday to hit a fresh all-time high. Jamieson has seen a steady increase in appetite for its products amid this unprecedented crisis. If this new normal lingers on for another year or two, Jamieson will stand to be a lone green spot in what could be a market-wide sea of red.

The stock certainly isn't cheap at these heights. Still, I'd be inclined to call Jamieson a buy if your portfolio is overexposed to industries that have been hit the hardest by the pandemic (think energy, financials, and real estate, all of which comprise a huge chunk of the Canadian market). For everyone else, it'd be preferable to wait for a pullback before initiating a position.

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