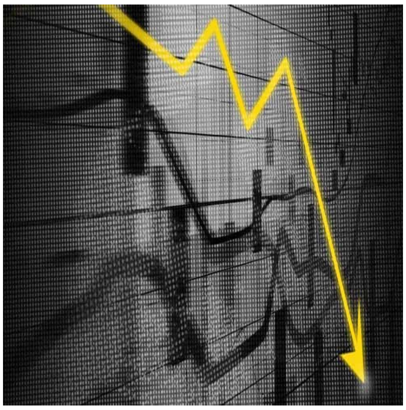

2 Game-Changing Stocks to Buy if the Market Crashes

Description

Accurately timing a market crash is difficult. So, if you can't focus on "when" to buy, you might want to divert your focus on "what" to buy. While a market crash is like a buffet of discounted stocks, your capital, and thus your ability to buy, would be limited. So, instead of diluting your capital into several stocks, you can focus on a few good ones that might get you the best return on your money.

Also, you have to decide whether you just want "recovery" stocks (i.e., companies that can double up your capital — or go beyond it — in a matter of months) or stocks that you would want to hold on to for a long time. It also impacts your decision about choosing dividend stocks, growth stocks, or a mix of both.

If you could only choose two, **Lightspeed** (TSX:LSPD)(NYSE:LSPD) and **Granite REIT** (TSX:GRT.UN) would be good contenders.

Monstrous recovery stock

If you consider the recoveries of the March crash, you'd be hard-pressed to find stocks that can match Lightspeed. The tech "underdog" is currently trading at a price that's over 290% higher than its lowest valuation during the crash. To put it in perspective, if you had invested $10,000 in the company when it hit rock bottom and was trading at just $12 per share, you would now be sitting at about $39,300.

That's an almost four-fold increase to your capital in a matter of months. And the best part: it's still not as overpriced as **Shopify** — a stock it's typically compared to. Still, it might be too expensive to buy right now, but if another crash drops the price as much as it did last time, it would be one of the best recovery stocks to buy. Its balance sheet is solid, it has minimal debt, and it's steadily increasing its revenue.

The future of e-commerce has only gotten brighter because of the pandemic, and we might see the company follow in the footsteps of Shopify and become a one-of-a-kind growth stock.

A long-term holding

Granite is the oldest aristocrat in the real estate sector. And while it offers a decent yield (3.75%), the dividend-growth rate is very sluggish. But if you buy it during a crash, when the price is down 40-50%, you will have a chance to lock in a very generous yield. But the best part about Granite is its capital-growth potential.

Its 10-year CAGR is 24% (dividend adjusted). With another decade like this, the company can turn your $10,000 investment into an $86,000 nest egg. The company is one of the few in the sector that genuinely recovered from the first crash. We can chalk the “industry-defying” trend to its underlying assets (i.e., logistics and warehouse properties).

Its recovery, though not as good as Lightspeed’s, would have grown your capital by 88%.

Foolish takeaway

Both Granite and Lightspeed are great picks, whether you simply want them for recovery or prefer to hold on to them for a long time. Granite can also be a potent contribution to the dividend side of your portfolio. If another market crash comes, you have to keep a close eye on the two stocks. Even if they fall, they might start recovering faster than the rest of the market and their respective sectors because of the investor sentiment around these stocks.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GRT.UN (Granite Real Estate Investment Trust)
3. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

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

Category

1. Dividend Stocks

2. Investing
3. Tech Stocks

Date
2025/07/07
Date Created
2020/10/13
Author
adamothman