



A “Twindemic” Could Cause the Next Market Crash

Description

Fear is a powerful force. It sways us like nothing else. But we are also adaptable, and given enough time, we can even get comfortable with some of our worst fears. This is why you see people worldwide getting significantly more “comfortable” despite the rising case numbers. But if they are not careful, the death toll can start rising as it did at the peak of the first wave, and that’s not the only concern.

Dr. Anthony Fauci, an immunologist and the director of the National Institute of Allergy and Infectious Diseases in the US, is warning the U.S. about a “Twindemic” – A deadly combination of the already powerful COVID-19 and the seasonal flu season that is about to hit the US. There are no reports of the two strains combining to create something even more disastrous, but both present in the country at the same time can be deadly for the healthcare system.

That’s because people would have a hard time distinguishing between flu and COVID-19 system, and in their panic, might overwhelm the healthcare system. The COVID-19 spread is still about ten times smaller than 1918’s Spanish flu, and the death toll is still a fraction (1.08 million compared to 50 million). Dr. Fauci hopes that with a vaccine and public-health measures, we can prevent it from becoming another Spanish Flu.

Disastrous economic repercussions

The pandemic has already pushed the global economy into recession and millions of people into unemployment, but its economic devastation is far from over. Canada is also bracing for a second wave of the pandemic. While the government and institutions might be better prepared than they were before, they can’t control investor sentiment (governed by the fear of the pandemic) and the resulting market crash.

A second wave is a significant enough problem by itself, but the flu season can add fuel to the fire. The additional confusion and an overwhelmed healthcare system are likely to become major triggers for the next market crash.

Preparing for a market crash

Chances are that you've already let go of the weak and dead-weight stocks after the first market crash. So one of the best things you can do when the next market crash hits is to buy a good stock that's typically too overpriced for you, lock in a juicy yield, or buy an excellent recovery stock for rapid growth. [One stock](#) that ticks two of the boxes is **TFI International** ([TSX:TFII](#)).

It showed amazing recovery after the pandemic, and it's also a great growth stock, which is a bit overpriced right now. And even though it's a Dividend Aristocrat, the yield is not powerful enough to be a reason to buy this stock. It's recovery after the March crash, and the subsequent growth spurt has been remarkable, and the company is now trading at a price 160% higher than its worst valuation during the crash.

The Montreal-based company has 360 plus facilities and 80 plus operating companies under its banner. It's one of Canada's largest LTL businesses (Less Than Truckload Shipping) and has one of the largest [truck fleets](#). It operates primarily in the country and the U.S. Similar to many other cargo-related or businesses associated with e-commerce, TFII truly bloomed in the wake of the pandemic, especially as a stock.

Foolish takeaway

The pandemic has already devastated the economy on its own and instigated a market crash that rivaled the great recession. And if you beef up the power of a pandemic by adding seasonal influenza into the mix, the second crash it instigates might be even more powerful. On the other hand, people are more "ready" than they were last time, so it might not be as bad as before.

Only time will tell which of these two realities will come to pass.

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Author

adamothonman

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