



2 Super Stocks That Will Survive a 2nd COVID Wave

Description

Canada is facing the second wave of the pandemic — and it's not alone. Several countries are already well into the second wave. New case numbers are rising, and the panic is setting in. The businesses are closing down again, and people are frustrated. Unlike the first wave of the pandemic when people were actively hoping for a vaccine, people are now more focused on adjusting to the new pandemic-ridden reality.

And the second wave might not come alone. It's expected to bring another market crash with it. This time might be different from the last time, and instead of seeing a sharp fall across the board, we might see certain sectors and industries diving while others remain steady.

From the first market crash, we've learned which stocks have decent recovery and growth potential. And if you want to buy stocks that can survive the second wave of the pandemic, these are the ones you should be looking for.

A tech stock

The tech sector thrived in the market crash. Even stocks like **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), which lost a massive 73% of their valuation, fully recovered and even grew after the crash. And if you are worried about the second wave knocking down the [market crash](#), Lightspeed is one of the stock you might want to add. It's often considered another **Shopify**, especially for SMBs, which is high praise.

Thankfully, the company isn't there yet, and while it's still quite expensive, a market crash will most likely push down the valuation to more reasonable levels. And as the company and the whole e-commerce industry has proven during the previous crash, it won't just survive the pandemic but will thrive in it.

A utility stock

Utility stocks are considered inherently safe against market crashes because even when people are

limiting their other expenses, they still need utilities and will keep paying for them, which makes stocks like **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) safe buys for the second COVID wave. Algonquin was a decent growth stock, even before the market crashed.

As renewable energy and regulated energy conglomerate, the company seems all set for the future. It's also a nine-year-old [Dividend Aristocrat](#), offering a promising 3.9% yield. If you buy the company when it dips during the next market crash, you will be able to lock in a better yield. The stock has been consistently growing for the last ten years. And if it can sustain its growth pace and keeps increasing its dividends, it can be a powerful long-term addition to your portfolio.

Foolish takeaway

There are plenty of other stocks that showed remarkable recovery potential, but you should consider your choice with more than that in mind. Some stocks are only good as long as they are riding the recovery momentum. Afterward, they might just be dead weight. But stocks like Lightspeed and Algonquin are the ones you can hold on to for years, even decades.

CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:AQN (Algonquin Power & Utilities Corp.)
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