



## Market Crash: 2 Stocks to SELL NOW!

### Description

Canadian investors were face to face with a sharp market pullback in the late winter and early spring this year. Fortunately, North American and global governments acted quickly in passing massive stimulus packages and further loosening monetary policy. This sparked a quick rebound that has lasted into the fall. However, the **S&P/TSX Composite Index** has not recouped all its losses from earlier in the year. Now, there is a serious threat of a second market crash rearing its head before this brutal year comes to an end.

High valuations and an economy in turmoil is a dangerous recipe. That is what is facing Canada and its top allies in the middle of autumn. Top European countries like France, Germany, and the United Kingdom are initiating nationwide lockdowns. Meanwhile, Canada and the United States have seemingly committed to a regional approach. Regardless, the economic consequences of a second wave and more lockdowns will be severe. Many businesses barely survived the first wave.

Today, I want to look at two stocks that investors should bail on, as a second market crash becomes more likely. Let's dive in.

## Why Cineplex may not survive a market crash

Earlier this week, I'd discussed the [dire situation](#) Cineplex ([TSX:CGX](#)) is facing right now. Shares of Cineplex have plunged 84% in 2020 as of close on October 28. This Canadian movie theatre operator and its peers have been hit extremely hard by the COVID-19 pandemic.

For a short time, it looked like movie theatres may have a chance to rebound in the late months of 2020. However, the second-wave shutdowns have thrown ice cold water on those hopes. The second delay of *No Time to Die* saw Cineworld opt to close its doors in the United Kingdom. Worse, Cineworld sent letters to Britain's leadership warning that its viability as a business was in jeopardy.

Cineplex reopened its doors in the late summer, albeit in a limited capacity. Regional shutdowns, a dismal film slate, and the competition from streaming services have combined to produce an existential threat for Cineplex and its global peers. A second market crash has the potential to deal even more

damage to its shares and worsen its worrying cash position.

## The COVID-19 pandemic has accelerated the “Retail Apocalypse”

While it may be apocalypse now for the movie theatre industry, many in the retail industry have been fighting for their lives over the past decade. **Indigo Books & Music** ([TSX:IDG](#)) has been challenged by the rise of the e-commerce retail giant **Amazon**. Shares have dropped 51% in 2020 as of close on October 28. However, the stock has climbed 100% over the past three months. Looking back, some crow-eating is in order, as I've been [consistently bearish](#) on the stock.

A market crash threatens to wipe out the momentum that Indigo has built since the middle of the summer. The worst news is what these shutdowns could mean for the company's typically busy holiday season. Even more consumers will turn to e-commerce alternatives during this crisis. That means that Indigo may not be able to count on a holiday boon.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:IDG (Indigo Books & Music)

### PARTNER-FEEDS

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