



Market Crash 2.0: Stash Your Cash Out of Harm's Way

Description

We are midway through the earnings season, and investors are being reminded of the potential troubles they can see ahead. We might be on the cusp of another major stock market crash that could create a bear market worse than what we saw earlier in March.

With the [surge in COVID-19 cases](#) resulting in another wave of lockdowns worldwide, it could only be a matter of time we see another stock market crash in Canada. If another market crash happens, you need to take measures to protect your investment capital and move it out of harm's way.

The TSX is going down again

Predicting when another stock market crash will happen is impossible. The March market decline proved that it could take little time for a downturn to materialize, and it might not give us too many warnings before it occurs. Anticipating market crashes ahead of time is not an exact science, but we can practice caution.

There is an elevated risk in the market right now, and it could lead to a major decline in stock market valuations in the coming months. Various factors are contributing to another market crash. From housing market troubles to a surge in global COVID-19 cases, we may see a stock market crash worse than the one in March.

A defensive stock to consider

When the going gets tough, the tough get going. If you want to adhere to this statement when it comes to your investment decisions, I would consider investing in a defensive stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

Fortis is a shining beacon on the TSX for investors looking to bolster their defences amid market turbulence. The defensive energy play can provide investors with reliable protection against a market crash. Additionally, its continually increasing dividend payouts can do more than just protect your

money — the stock can improve your financial position.

Fortis is not a stock that looks like much when it comes to growth prospects. Between its ability to weather a harsh economic landscape and its growing dividend payouts, the stock seems very attractive if a market crash occurs.

Fortis has been providing its investors with dividend increases for almost 50 years. It is a Canadian Dividend Aristocrat that has made it through periods of financial challenges without breaking its dividend-growth streak. It operates power generation, electrical transmission, and natural gas distribution businesses across Canada, the U.S., and the Caribbean.

In case a market crash happens, Fortis can continue generating a reliable and predictable cash flow due to the essential nature of its business. No matter how bad the economy gets, households and businesses need their electricity and natural gas supplies. The utility operator's necessity at all times makes it an excellent defensive play for investors worried about their capital.

Foolish takeaway

If you have your capital tied up in investments that can suffer significant losses in a market crash, you should re-evaluate your portfolio. I would strongly suggest considering defensive assets like Fortis to protect your capital from the effects of a [second market crash](#). I cannot accurately predict when the downturn will happen, but I can confidently say that Fortis is one of the companies you would want to own if it crashes.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

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