



Stock Market Crash 101: Get Ready to Buy

Description

A stock market crash is coming. It seems more and more likely each day. Unfortunately, there are many signs pointing to this inevitability. For example, the second wave of the coronavirus is here with a vengeance. It is overwhelming hospitals. It has meant new lockdowns, with even more coming soon.

While we can always say this is temporary, it will still have lasting economic effects. The amount of aid that the Canadian government has given out is significant. Many individuals are hurting, and it will take some time to recover. In fact, the Bank of Canada has flagged [the risk of ongoing financial losses for households and businesses](#).

At the same time, the stock market continues to surge. It is maybe going up too far, too quickly. [We are all excited about a vaccine](#) and looking forward to what comes after the pandemic. But the risk of a stock market crash before this happens is increasing.

In this situation, all we can do is plan. Plan now, while you are still calm. Don't wait until the crash happens and your emotions are running high. Here are three stocks I'm planning to buy when the stock market crashes. I have figured out the prices at which I will buy these stocks. So, when the time comes, all I will have to do is wait patiently to act.

Fortis stock: The perfect stock to buy in a stock market crash

Utility stock **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a North American leader in the regulated gas and electric utility industry. It's a utility, which means that its revenue base is highly defensive. This is because it provides the energy that allows us to live our daily lives. This is one of the last things we would cut if we ran into financial difficulties.

So, approximately 80% of Fortis's revenue is regulated or residential. This has always provided Fortis with a high degree of predictability and stability. In this pandemic, these are qualities that investors should be looking for in a stock.

In the event of a stock market crash, I will be buying Fortis stock when it hits \$40. That's 25% lower

than where it's trading today.

Suncor stock: Already undervalued today, it'll be a steal when it falls in a stock market crash

Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) is an integrated oil company. This means that it produces oil and refines it as well. Those two businesses have different drivers and different risk profiles. They diversify Suncor's risk. That makes Suncor more stable than most oil and gas companies.

Suncor stock is in the midst of a comeback of sorts. It has rallied 50% so far in November, as the market has become more optimistic. But the stock is still trading well below pre-pandemic levels. So, it's already undervalued. A stock market crash would make it even more so. I would buy Suncor stock below \$20 in the next stock market crash.

Ballard Power stock: The opportunity to get in on this booming stock

Ballard Power Systems ([TSX:BLDP](#))([NASDAQ:BLDP](#)) stock has had a blow-out year. Up 180% in 2020 alone, Ballard Power stock is benefitting from the rise of the fuel cell. In the last few years, fuel cells have been adopted to power buses, trucks, and even trains around the world. They have gotten significantly cheaper. Their performance and reliability has significantly improved.

Ballard is one of the world's leading fuel cell designers and manufacturers. The company has extensive scientific expertise as well as global contacts. Ballard is a trusted source for everything fuel cells. And Ballard stock is finally reflecting this as the world is on a mission to decarbonize.

A stock market crash would of course take Ballard Power stock down big. That would be the perfect time to buy this fast-growing company as it changes the world.

Motley Fool: The bottom line

If we prepare for the next stock market crash, it can become a good money making opportunity. My top three stocks to buy when it happens is a good place to start. Make your plan today. Then stay calm and wait. When the time comes, act. Your plan will ensure you eliminate the emotions that usually lead to bad decisions.

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2. NYSE:FTS (Fortis Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BLDP (Ballard Power Systems Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:SU (Suncor Energy Inc.)

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