

ALERT: Brace for Market Crash 2.0 With This Stock!

Description

If you were to look to the stock market for how Canada is doing during a <u>pandemic</u>, you'd think everything is peachy. Shares are almost at pre-crash levels, or even above in some cases. Yet COVID-19 cases are sweeping the country. So, what's going on?

The answer is simple: vaccine euphoria. Everyone seems to think that with a vaccine available, everything will go back to normal. The bad news is that there will be no "back to normal." We're in a post-pandemic world, and it could take years for companies to return to revenues seen before the crash.

That's even with a vaccine. The vaccine won't be available to everyone right away. It will be given to essential careworkers, the elderly, and the immune compromised. These people will need it more than someone like me who is working from home with very little risk of catching the virus. So, until everyone has the vaccine, everyone can still catch the virus, and everyone is still at risk for another market crash.

When could it happen?

In my opinion, the next market crash is likely to happen as early as mid-January. During the summer, businesses returned to work. Benefits changed to try and get Canadians back to work. This worked, and businesses saw revenue finally increase once again. Earnings came in during October to cheers from the stock market. But then cases started to rise.

Now, we're seeing more and more restrictions every day from the government, provinces, and even companies. These restrictions could bring us back to lockdown days if we're not careful. If that happens, earnings will fall to incredible lows. In fact, earnings will likely already drop with cases up. By the next earnings season in mid-January, we could see another market crash.

While mid-January might be early, I highly doubt it will happen any later than the end of March. That would be the next earnings season, but it's when we'll see how hard businesses were hit during latefall and over the holidays. So, while a vaccine is absolutely wonderful, there seems to be a false senseof confidence about where the market is headed.

What should you do?

Prepare your portfolio. Start by researching stocks you want to watch for a buy and stocks you think may have peaked. If there are companies that simply cannot continue during another market crash, you may want to take your profits. Then look into companies that should continue to do well, even during another market crash or even another wave of COVID-19.

A great sector to consider is healthcare. This area has seen huge investment because of the virus, and brought light to new areas of patient care. Such an example is **CloudMD Software & Services** (<u>TSXV:DOC</u>). This company provides virtual healthcare options to patients, from doctors and nurses to physiotherapists and mental health experts. You can now do this from the comfort, and safety, of your own home. Whether the virus is gone tomorrow or not, a company like CloudMD is certainly here to stay.

Investors seem to agree, as shares have jumped 552% in the last year alone. While news of a vaccine actually sent shares down, this is definitely a strong buy-and-<u>hold</u> stock. If you want a defensive stock that will see you through decades, don't give up on a company like CloudMD quickly. Instead, prepare your portfolio, and should another dip happen, buy up stocks like this for long-term returns.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSXV:DOC (CloudMD Software & Services Inc.)

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