



Market Crash 2.0: 2 TSX Stocks to Buy Right Now!

Description

The earnings season has just been concluded and several companies continue to remain cautious about the near term. Investors were reminded of the potential troubles that can be expected in the first half of 2021. There is a good chance that stock markets might crash once again given the high unemployment rates and falling GDP numbers.

The second wave of coronavirus infections in North America and Europe is likely to keep people indoors, which will again weigh on consumer demand. It's quite clear that the equity markets are not in sync with the economy, and investors should brace for a market crash.

In case the stock market crashes again, investors can take measures to protect their capital and can look to invest in stocks that are recession-proof.

Barrick Gold is the ultimate recession hedge

It is impossible to predict when another stock market crash will take place. Earlier this year, the equity markets experienced a freefall that was unprecedented. Right now, several experts believe there is an elevated risk in equity markets that will lead to lower valuations, which might be even worse than the bear market of 2020.

However, as stated above, investors can identify recession-proof stocks such as **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) and protect their capital. Gold prices have an inverse relationship to the stock market, which makes gold mining companies an attractive bet. Low interest rates and a weak U.S. dollar are also drivers of gold prices.

As the COVID-19 vaccine results were announced last month, [Barrick Gold stock lost](#) 13% in market value in November. The stock is trading 23% below its 52-week high and is available at a significant discount.

Further, **Berkshire Hathaway** reduced its stake in Barrick Gold, which also contributed to this decline. But this also gives investors an opportunity to buy a quality stock at a lower valuation.

In Q3, Barrick Gold generated \$1.3 billion in quarterly cash flow. Its reduced net debt by 71% on a sequential basis to \$417 million and raised dividends by 12.5%, its third dividend raise in 2020.

Analysts tracking Barrick Gold have a 12-month average price target of US\$33.7, which is 40% above its current trading price.

Fortis is a utility giant

Another top-quality Canadian stock to buy right now is **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)). The [utility heavyweight](#) is part of a regulated industry, allowing it to generate a steady stream of cash flows across business cycles. This has helped Fortis to increase dividend yields for 47 consecutive years.

Fortis operates power generation, electrical transmission, and natural gas distribution businesses in Canada, the U.S., and the Caribbean.

The stock is a defensive energy play that can provide you protection in case markets turn turbulent. It has showcased its ability to weather a harsh economic landscape over the years and has survived multiple recessions without breaking its dividend streak.

Analysts tracking the stock have a 12-month average target price of \$60, which is 14% above its current trading price. After accounting for its dividend yield of 3.9%, annual returns will be closer to 20%.

CATEGORY

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2. NYSE:FTS (Fortis Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:FTS (Fortis Inc.)

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