Market Crash: 3 Stocks to Buy Before It Hits

Description

All the way back in September, I'd looked at three reasons a market crash could kill the party for investors. One of the topics I'd covered was the Buffett indicator. This indicator, which is one of Warren Buffett's favourites, has surged to a near all-time high in recent weeks. Optimism abounds with vaccines on the way, but the post-pandemic recovery will be long and challenging. Investors should prepare their portfolio for potential shocks in the months ahead.

Today, I want to look at three stocks worth stashing in the event of increased volatility. Let's jump in.

Two healthcare-focused stocks to snag in this environment

Investors who want to follow Warren Buffett's lead in this environment should target equities in the healthcare space. The COVID-19 pandemic has put the spotlight on this sector, and investment in the public and private sphere will undoubtedly rise in the aftermath.

Extendicare (TSX:EXE) is a Markham-based company that offers housing, care and related services to seniors. In Canada, over 80% of COVID-19 deaths have been in long-term care facilities. There is dire need for improvement when it comes to caring for Canada's seniors. Extendicare is a company to watch closely, especially as Canada's senior population is set to explode in the decades ahead.

Shares of Extendicare have climbed 15% month over month as of close on December 10. The stock is still down 15% so far this year. In Q3 2020, the company delivered revenue growth of 10.1% to $296.8 million. It was bolstered by increased COVID-19 funding.

This dividend stock is an enticing target for those worried about a market crash. Shares last had a favourable price-to-earnings ratio of 12. Moreover, it offers a monthly dividend of $0.04 per share. That represents a 7.1% yield.

Jamieson Wellness (TSX:JWEL) is a Toronto-based company that operates in the nutrition and supplements space. This subsector is poised for huge growth in the face of an aging population in the developed world. The COVID-19 pandemic has spurred health conscientiousness around the world, which boosted Jamieson's sales so far in 2020. Its stock has climbed 37% so far this year. Jamieson even has potential as a defensive option during a market crash.

In Q3 2020, the company posted adjusted EBITDA growth of 18.2% and revenue growth of 19.2%. It was powered by a big jump in international sales.

One more stock to grab before a pullback

The final dividend stock I want to look at today will also benefit from demographic shifts currently underway. **Park Lawn** (TSX:PLC) provides death care products in North America. Its rock-solid balance sheet has allowed it to outpace its competitors and pursue an aggressive acquisition strategy. Shares of Park Lawn have climbed 4.5% in 2020.

Whether a market crash hits in the near term or not, investors can count on Park Lawn's business model for the long haul. It has delivered promising earnings growth in successive quarters and boasts a decent price-to-book value of 1.6 right now.

CATEGORY

1. Investing

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1. TSX:EXE (Extendicare Inc.)
2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:PLC (Park Lawn Corporation)

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