



Market Crash: 2 TSX Stocks to Buy on the Dip

Description

2020 has been a crazy year, and although we are finally getting positive news to end the year, there are still many lingering economic issues, prompting many people to prepare for another potential market crash. You can never know for sure if **TSX** stocks are about to crash. However, at certain times, the risk of volatility is inherently higher.

In today's environment, there is a tonne of economic uncertainty, at the same time that many stocks are trading at optimistic valuations. It's generally only businesses the market deems to still have a high level of risk that are relatively cheap. So it seems like something's eventually got to give as many analysts and economists are predicting a rocky short-term.

One thing is for sure if we do see a market crash, whether it's a small 10% correction or a significant 40% bear market, these two TSX stocks are at the top of my buy list.

The top stock to pick up in a market crash

Consumer staples aren't usually known to be the best long-term growth stocks on the TSX. Sure, they can offer great stability for a portfolio, and oftentimes they will pay a significant dividend, but these won't be the top performers in your portfolio.

However, one consumer staple that defies all of that is **Alimentation Couche-Tard Inc** (TSX:ATD.B). Alimentation Couche-Tard is a rapidly growing convenience store and gas station operator.

These businesses are highly [defensive](#) during regular recessions. However, Couche-Tard hasn't run the company to be a steady blue-chip paying out a significant portion of its earnings.

Instead, the company has kept most of its earnings, paying out a small 0.8% dividend and reinvesting the rest in growth. That strategy has paid off tremendously, with Alimentation Couche Tard earning its investors a total return of 997% over the last 10 years.

Couche-Tard is not slowing down, though. Despite the fact that it had planned to start growing more

organically in 2020, the pandemic has created several high-potential investment opportunities and Couche-Tard has already pulled the trigger finding new acquisitions to help expand its business.

The sky is the limit for Alimentation Couche-Tard. That's why it'll be one of the first stocks I buy in a market crash. It's put up consistently impressive performance until now and has a tonne of potential looking forward.

A top TSX tech stock to buy in a market crash

The other top TSX stock I'm waiting to buy in a market crash — or at least a significant pullback — is **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)).

[Shopify](#) is the premier tech stock on the TSX. Not only is it now one of the most valuable stocks in Canada, but the company is also at the forefront of the rapidly growing e-commerce industry. And with the tailwind e-commerce has seen from the pandemic, the pace of Shopify's growth is increasing dramatically.

In addition to being a great business that's growing the number of merchants using its services, the company's business model is also extremely attractive. By charging a subscription service to use its platform, it ensures that the majority of its sales will be recurring, especially since it can help the users to expand their operations dramatically.

This combination of Shopify's incredible platform and the significant momentum in e-commerce is creating a unique opportunity that Shopify's capitalizing on.

The longer merchants therefore have no choice but to operate online, and the more value they can get out of its platform, the more momentum Shopify's operations will have as we exit the pandemic.

That's why Shopify will be one of the top TSX stocks to buy in a market crash. Many investors think that when the pandemic is over and the economy recovers, e-commerce will lose some of its popularity.

I view it another way. I think e-commerce will only continue to become more popular with industry costs coming down. So when the economy does recover and economic activity picks up again, that's when I think you'll see the real growth from Shopify.

Bottom line

It's important investors are ready for a market crash at all times. Selloffs can happen out of nowhere, so you'll want to be ready to buy the best TSX stocks as cheap as possible.

CATEGORY

1. Investing

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2. TSX:SHOP (Shopify Inc.)

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