



Markets Are Headed for a Strong Correction: Load Up on These Top Stocks Now

Description

The stock market has witnessed a strong bull run over the past several months despite the economic data pointing otherwise. While the growing disconnect of the stock market with the economy and high valuations led to speculations that a crash is near, I believe the fear of the new COVID-19 strain could possibly be the trigger that could lead to a strong correction.

The negative news for the stock market came from the U.K., which announced that the coronavirus's new strain is highly infectious. The new variant of the virus raises concerns and could lead to panic selling in stocks amid the fear of stringent lockdown measures.

While we brace for a [correction in the market](#), it's prudent to load up on these top TSX stocks now to add stability to our portfolio and reduce the downside risk.

Don't miss out on gold

Gold is a go-to avenue amid a stock market crash. However, among all the top gold mining companies listed on the TSX, I prefer **Kinross Gold** ([TSX:K](#))([NYSE:KGC](#)) for its [attractive valuation](#), growing production profile, and declining cost trends.

Fear of the stock market crash could lead to a surge in demand for gold and drive its prices higher, benefiting gold mining stocks by a significant margin. With its increased production from low-cost mines, Kinross Gold is likely to report a strong expansion in margins, which could boost its stock significantly.

Notably, Kinross Gold stock is trading at a forward EV/EBITDA multiple of 5.2, which is approximately 20% lower than its peer group average. Moreover, the company has reinstated its dividends, which is likely to boost investors' returns.

Investors should note that Kinross Gold stock could not only add the much-needed safety net in your portfolio but is also likely to boost your overall returns amid a stock market crash.

Bet on this food and pharmacy giant

Food and pharmacy leader **Metro** ([TSX:MRU](#)) is another top stock that should be a part of your portfolio before the market slumps again. The retailer operates a network of 953 food stores under different banners, including supermarkets, discount stores, and neighbourhood stores that appeal to consumers of all demographics. Meanwhile, it operates 648 drugstores that further support its revenues.

As Metro is likely to witness continued demand for its products and offerings, large volatility in the stock market is unlikely to impact its stock. Besides, fear of another lockdown could lead to larger basket sizes due to the stockpiling.

Metro's expansion of its online capacity and robust supply-chain is likely to drive traffic and increase its market share. Metro is expanding the number of stores offering click & collect service, developing home delivery services, and is opening a dedicated store for online grocery in Montreal. Its investment in building its omnichannel capabilities augurs well for growth and is likely to accelerate its sales.

Besides adding stability to your portfolio, Metro is likely to boost your returns through higher dividend payments. Metro is a Dividend Aristocrat and has increased its annual dividend for 26 years in a row. Investors could expect Metro to continue to increase its dividend payments, thanks to its resilient cash flows.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:KGC (Kinross Gold Corporation)
2. TSX:K (Kinross Gold Corporation)
3. TSX:MRU (Metro Inc.)

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