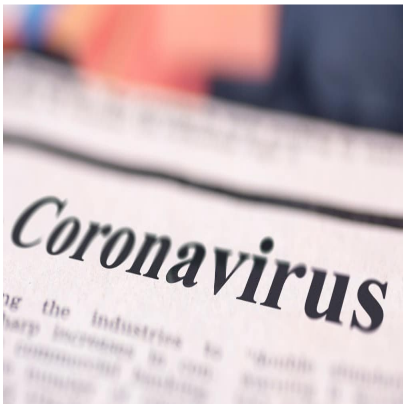

3 Stocks to Buy if the New Variant Destabilizes the Market

Description

The **TSX Composite Index** has already fallen about 6% since its 2021 peak. The **NYSE Composite** has fallen about 6.7%, while NASDAQ is down 5%. And that's after just the first cases of the new Omicron variant were discovered in Canada and the United States. But it might just be a dip — a reflex action by investors to start dumping securities when they are soaring and cash out before the next crash.

But if the market is destined to destabilize further, you should start looking into securities you couldn't buy at a discount the last time.

A high-yield energy giant

Enbridge (TSX:ENB)(NYSE:ENB) stock has fallen much harder compared to the broader market and is down over 14% already. The current trajectory is expected to continue, and not just because of the stock market trends. The energy sector soared way too high on the wave of optimism that accompanied the end of the 2020 glut (and the rising demand in 2021).

But if a decent portion of the world starts moving towards a new phase of lockdown, the demand for oil might slump once again, and the energy companies have already started to pay for that fear. That, coupled with the due correction, can make Enbridge a significantly more attractive buy in the coming days. The yield has already grown to 7.1%, and since Enbridge has proven its commitment to sustain its payouts, it might be a very attractive buy at a higher yield.

An aviation industry aristocrat

Another company that sustained its dividends while going through a very rough phase due to its association with the aviation industry is **Exchange Income Fund** (TSX:EIF). Last time, the stock fell about 63%. For now, it has only fallen about 12%, and the yield is already at an attractive 5.5%. And if the pattern continues, you might be able to lock in 6% or more with this resilient dividend stock.

The company recovered very well after the pandemic, especially compared to the airlines, thanks to its diversified business model. It's integrated with many elements of the aviation industry, but this didn't weigh it down or keep it from reaching its pre-pandemic valuation. That recovery potential is also an asset if you buy the dip.

A golden aristocrat

While most investors consider gold stocks only to *hedge* their portfolios during market crashes, **Franco Nevada** (TSX:FNV)(NYSE:FNV) might be a decent long-term holding for capital appreciation and dividends, especially if you can buy it low. The company, thanks to its royalty-based business model rather than direct gold mining, offers relatively different stock dynamics than a typical gold stock.

The company currently offers a 10-year CAGR of 16.2% and a yield of 0.7% at an uncharacteristically high valuation. The price has already been slipping, and if it keeps going down at a decent enough pace, making it fairly or even undervalued, adding this 13-year-old aristocrat to your portfolio might be considered a smart move.

Foolish takeaway

We have yet to see whether the dip will evolve into a full-blown market crash or a brutal correction. Or it might simply be a dip. But if it's the former, you might be able to buy many companies at a great price. And if you missed your chance to buy during the first market crash, this could be a second chance.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

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2. NYSE:FNV (Franco-Nevada)
3. TSX:EIF (Exchange Income Corporation)
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