



2 TSX Stocks to Buy During a Market Correction

Description

February and March 2020 saw a major market crash, as the danger of COVID-19 became more apparent worldwide. After registering staggering declines in a matter of weeks, global stock markets managed to recover. The **S&P/TSX Composite Index** went on to recover its losses in the months after the March 2020 bottom and consistently soared to new heights in 2021.

Just when the prospect of moving into a post-pandemic era seemed closer, the Omicron variant of COVID-19 came along. The new variant seems scary, and many people fear that lockdowns and further economic disruptions could derail the [global recovery](#) as we come closer to 2022.

At writing, the Canadian benchmark index is down by over 4% from its all-time high in November 2021, up after a sharp correction in a few days. While it does not necessarily mean that we might see a full-blown market crash soon, [planning for a market correction](#) might be a wise move.

Today, I will discuss two TSX stocks that you could consider adding to your portfolio to prepare for a market pullback.

National Bank of Canada

National Bank of Canada ([TSX:NA](#)) is one of the several stocks that saw a sudden downturn due to the selloff caused by investor panic. However, National Bank of Canada was one of the best-performing financial institutions in the country through the worst of the pandemic. The \$33.05 billion market capitalization financial institution is the sixth of the Big Six Canadian banks. It is well positioned to deal with any near-term challenges posed by the new variant.

The bank stock is trading for \$97.85 per share at writing, and it has plenty of room to deliver growth to its shareholders. The bank is likely to expand its operations in other Canadian provinces and gain more traction in the domestic banking sector.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is a \$52.49 billion convenience store giant with over 15,000 locations throughout Canada, the U.S., Mexico, Ireland, Norway, Sweden, Denmark, Estonia, Latvia, Poland, Japan, Russia, China, and Indonesia. The company's revenues might take a hit if the Omicron variant causes disruptions in fuel sales by depressing travel demand due to more lockdowns.

However, its online sales through food delivery apps have been a strong growth driver for its revenues that could mitigate the losses.

Alimentation Couche-Tard also boasts significant liquidity, and it could leverage a downturn to acquire its competitors for a bargain if they fall under considerable pressure. At writing, Alimentation Couche-Tard stock is trading for \$48.89 per share, and it boasts a meager 0.90% dividend yield.

Foolish takeaway

The rapid decline and recovery within a few days indicate that there may be more volatility headed our way. Whether that means that we could witness a significant downside market correction remains to be seen. However, it might be a smart move to reposition your portfolio and reduce your exposure to sectors that entail more [capital risk](#) during a downturn.

Investing in assets that are well positioned to face a downturn and recover quickly might be a viable way for you to proceed. National Bank of Canada stock and Alimentation Couche-Tard stock could be good assets to consider adding to your self-directed portfolio for this purpose.

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