



Global Stock Markets Closer to a Crash: 2 TSX Stocks to Buy Cheap

Description

The world's worst fears materialized when Russian President Vladimir Putin announced a full-blown Ukraine [invasion](#) on February 24. In the first half, the **Nasdaq Composite Index**, the **S&P 500 Index**, the **FTSE 100 Index**, and the **S&P/TSX Composite Index** dropped 3.3%, 2.13%, 3.35%, and 1.23%, respectively. However, these stock markets saw a recovery in the second half as news flowed around sanctions on Russia.

What should you do in a stock market crash?

These are difficult times, and stock markets are going to be very volatile. People retiring this year should be cautious. Do not withdraw your funds from a Registered Retirement Savings Plan ([RRSP](#)). It could eat up a good amount of your life's savings. Just wait till the year-end when the stock market rebounds.

Even if your retirement is far away, this is not the time to withdraw. This is the time to invest. Remember the March 2020 dip and how you wished you had invested a good amount in some tech stocks when they were at their lowest? The market has given you another chance.

The war uncertainty has disrupted many industries like tourism, airlines, and auto that rely on economic growth. While I still don't recommend buying [airline stocks](#), two stocks that I think are worth buying on the dip are:

- **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#))
- **Magna International** ([TSX:MG](#))([NYSE:MGA](#))

Descartes Systems in a market crash

The U.S. and Europe are imposing sanctions on Russia. This is a global-scale war, and trade will only get complicated. Many companies will now have to look for supply chain alternatives as things are likely to be tense between Russia, Ukraine, Germany, and other European countries. Moreover, the

2017 trade war and the 2020 pandemic have created tensions between the world and China. These geopolitical tensions make it even more necessary to manage a supply chain. Descartes offers a wide range of logistics and supply chain management solutions.

Descartes stock surged 55% between January and May 2019 before the U.S. and China escalated the trade war by imposing more tariffs. The trade war significantly impacted Descartes, pulling the stock price down 22%. But it recovered 36% as tensions eased. This is because the trade war created pent-up demand. Then there was another fall and surge during the pandemic, but every surge was bigger than the fall.

The historic trend shows that Descartes is a stock to buy on the dip. It has dipped 14% this year and could fall further as the war disrupts global trade. Once the global tensions ease, there will be pent-up demand for trade, and that is when Descartes stocks could make a new high.

Overall, the company is in a long-term uptrend, rising 487% despite the 2014 oil crisis, the 2018-19 trade war, and the 2020 pandemic. Had you purchased more stocks in every dip, you could have maximized your returns. This is the time to learn from past mistakes and buy Descartes's stock now and wait patiently for three to five years for your money to double.

Magna stock

Magna is a stock worth buying in the crash. Growth is coming for the stock in the form of the electric vehicle (EV) wave, but macroeconomic conditions keep delaying it. There is no denying that EVs are coming, or companies like **Ford** and **General Motors** wouldn't be spending billions of dollars designing and manufacturing new EVs.

Buying the stock of an EV maker could be risky as some EVs may succeed and some may not. But EV components will be used in both successful and unsuccessful EVs. Magna has bagged components and third-party manufacturing orders from 24 of the top 25 EV makers. The stock more than doubled in the EV wave from September 2020 to June 2021 when the U.S. president unveiled plans to invest in EVs and EV infrastructure. Since then, the stock has corrected 23% first because of semiconductor supply issues and now because of war.

But none of these crises have deterred the secular trend of the shift to EVs, making it a good stock for patient investors.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:MGA (Magna International Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:MG (Magna International Inc.)

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