



TSX Stocks I'd Buy as the Ukraine-Russia Crisis Escalates

Description

Broader stock markets ended last week with a huge [sigh of relief](#), even as geopolitical tensions escalated. Undoubtedly, the Ukraine-Russia crisis has not yet ended, even though the big Friday rally seemed to suggest such. Indeed, this stock market correction has been incredibly vicious, punishing those who bought the dip too aggressively thus far. Could it be that last week's rally was yet another trap for those who were overly bullish on various pundits calling for some sort of melt-up, even in the face of a growing number of risks?

While there's much [fear](#) in the air these days, I do think that dip buyers need to be more selective with the names they're looking to pick up. Yes, dip-buying has been the way to go in this bull market, at least to date.

Every 5%-10% dip has been met with a pretty nice and timely bounce higher.

Could the same be in the cards for this 2022 stock market correction?

There's a chance, but investors should not discount the new set of risks on the table. The Ukraine-Russia crisis was a black swan event that caught a lot of people off guard. Like the COVID pandemic in its early stages, investors need not panic but should look to move forward with prudence.

To paraphrase the old saying, "It's the risks you don't see that could get you into trouble." So, this raises the question: how do we even go about managing risks that we aren't even thinking about at any given instance? By being prepared for anything at all times. Be ready for high-impact black swan events, no matter how improbable. But also, do not be a doomsdayer, hoarding excess amounts of cash with the expectation that something bad is just waiting around the corner.

Getting prepared for black swan events like the Ukraine-Russia crisis

Position your portfolio, whether it be your TFSA or RRSP investing account, in a way such that it can do well over the course of many decades. Over such a timespan, bad things will happen. And you're not going to see them coming. By just acknowledging such, you'll be able to be ready for whatever curve ball Mr. Market may throw your way when you least expect it!

Keep a bit of cash on the sidelines and have some safe investments, like **Fortis** stock, that have a low beta and can hold their own when crisis strikes and threatens to send markets into a bit of a tailspin!

As for what to buy to navigate the current crisis, which could continue punishing overly-aggressive dip-buyers (who knows if last week's relief rally will last), lowly-correlated firms with resilient operating cash flows (think Fortis) will fare better than average, as too will gold and its miners (gold, not Bitcoin!). Further, other defensive securities with depressed valuations could also be a great store of wealth through periods of volatility.

The bottom line

Investors should manage all risks, including those they haven't yet thought about. Black swan events happen, and they need to be considered. As for the geopolitical crisis going on in Ukraine, I wouldn't get too bullish by chasing last week's rally. Why? Investors seem to be assuming that the crisis can't get any worse. While it is good to be optimistic, as an investor, it's better to be cautiously optimistic with a full consideration for the downside risks.

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