2 Cheap Stocks to Own Through a Market Crash

Description

The broader stock markets sank lower on Monday, as the Ukraine-Russia crisis showed no signs of slowing down, while China announced a new wave of lockdowns in response to an insidious uptick in coronavirus cases. Undoubtedly, the variant, which may be sparked by a "stealth Omicron" variant sent reopening plays crashing viciously, putting a halt to what's been a somewhat mild comeback in recent months in spite of the mounting geopolitical turmoil. With the VIX taking off and many high-growth investors getting wiped out, there's no question that it's not a kind environment for new investors who were inclined to chase.

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Be ready for a market crash

Indeed, Mr. Market can be so cruel to those who didn't educate themselves on the valuation process. Those who continue to ignore valuation, with zero to no discipline or patience, will likely continue to be punished as the bear market in the **Nasdaq 100** inches ever so closer to 25% in losses. It's ugly out there. But if you stick with what you know and what is boring (think Warren Buffett's **Berkshire Hathaway**, which hit a new all-time high as broader markets sank into correction), you can do well in this tough market. Buffett has, but he had to endure a lot of criticism over the past two years or so. That's real discipline and patience!

Moving forward, I do believe that there are ways to sidestep volatility. But it will not be easy for the new investors who continuously throw money at battered tech stocks that can't seem to catch a bottom. Indeed, bear markets are where you may need to sell the rips, rather than buy the dips. The tech sector's bear market seems unforgiving. Although it will bottom eventually, all signs point to more pain ahead, as the Fed hikes rates to combat the horrific bout of inflation.

Without further ado, please consider the following:

IA Financial

IA Financial (TSX:IAG) is the epitome of a boring financial. It's outshined by its insurer peers because it simply does not have the incredibly powerful Asian growth exposure they do. Though it does not have such exposure, do not take anything away from management. They're incredibly prudent and have positioned IA to be resilient when the times get tough. After suffering a 16% correction in recent months, shares of the $8 billion insurer and wealth management firm trade at just 9.6 times trailing earnings alongside a 3.4% dividend yield.

Indeed, it's been a choppy ride, but as a firm that can get cheaper as its stock rises, I'd continue to recommend the name for what could be a brutal finish to the first quarter of 2022.

Spin Master

Spin Master (TSX:TOY) is a toymaker that should get an 'A' grade for how it fared during lockdowns. With its digital games business, which experienced phenomenal growth, I do think Spin ought to be worth way more than its mere 17.3 times trailing earnings multiple.

The $4.3 billion company is incredibly innovative, with the perfect mix of physical and digital assets. Down 16% from its 52-week highs on mostly broader market woes, I think TOY stock is worth picking up here. It's a great Canadian company that's just too cheap for its own good at 1.7 times sales. Pending a severe recession, I think TOY stock is a bargain buy right now.

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1. Investing
2. Stocks for Beginners

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2. TSX:TOY (Spin Master)

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