Beginners: 1 of the Best TSX Stocks to Invest in Amid a Big Market Correction

Description

Stock market corrections are never pleasant. Though the **TSX Index** has held its own rather well over the past several months, as the U.S. indices plunged past correction territory (the Nasdaq 100 actually fell into bear market territory), it seems as though the Canadian markets could be dragged down this time around, as investors brace themselves for rate hikes. Indeed, the U.S. 10-year note has surged of late, flirting with 3%. Investors know that central banks need to get going with their rate hikes. If anything, they're late to the party, with inflation that probably should have never been allowed to surge well above the 6% mark.

Market correction: So much risk, so few places to hide!

In order to make up for lost time, the Fed and Bank of Canada need to go into full-on hawk mode. Markets have likely baked this in. But there's a difference between being ready for the band-aid to be ripped off and actually having the band-aid being ripped on in one swift move. The latter can feel so much more painful than expected. And with corporate earnings results steadily flowing in this week, things could have the potential to get really ugly. With many top tech studs falling short of estimates and crumbling into smithereens (look no further than streaming giant **Netflix**, which has lost its way), this earnings season, in particular, is scary.

With earnings flops and layoff announcements, there's a fear that the broader economy may not be as robust as expected to stomach the rate hikes to come. That's a concern because the Fed and Bank of Canada have few alternatives. Inflation is running hot. If anything, a recession may be less harmful than allowing inflation to move higher month after month. Eventually, a 1970s-style recession to stomp out inflation may be needed.

Though the Fed will do its best to engineer a soft landing, new investors shouldn't expect it. It's a best-case scenario, just like the Fed's 2020 expectation that the surge in inflation would be transitory. It hasn't been transitory whatsoever. It's been quite persistent, surging to new heights every month, it seems. Indeed, we may be nearing peak inflation, but that doesn't mean it's time for the Fed to pull the brakes on rate hikes to soothe markets.

As the TSX sags lower over rate hikes, increased chances of a recession, and geopolitical turmoil, the case for scooping up unloved value seems very strong, especially for new investors who are shy to volatility.

Fortis stock: A Steady Eddie to buy during a market correction

Consider **Fortis** (TSX:FTS)(NYSE:FTS), a Steady Eddie utility that's one of my favourite bond proxies for any types of market "weather." These days, the market weather has been very ugly. It's been a hailstorm, and it's hurt many beginner investors. Though Fortis is a name that's more appealing to conservative investors like retirees and not young, growth-savvy investors, I think that the stock forms a solid foundation for any portfolio aimed at long-term appreciation.

The company will fare decent, whether or not we're in for a soft or hard landing. The payout is sound, and investors can expect dividend payments as per normal! It's this degree of stability and predictability that should be in high demand in times like this. There's a lot of worry out there and things could easily get scarier. Fortunately, Fortis is a glimmer of value and certainty in a market environment that's hostile to new investors and retirees.

So, as markets correct, and you're put between a rock and a hard place, Fortis seems like one of the last safe havens out there. That said, Fortis stock can become a more choppy ride, even if it shouldn't. That's just the fear and greed nature of markets!

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