



Is the Stock Market Selloff Over?

Description

This week the market has started to rebound and rally over multiple days, leading many to wonder if the stock market selloff could be coming to an end.

Over the past couple of months, the direction of the market has been dictated mostly by fear. There is fear about how inflation may impact the economy, fear that with rising [interest rates](#), we could see a recession, and fear that these underlying issues will be exacerbated by ongoing supply chain issues.

However, this week, we saw stocks start to rebound, and market sentiment has seemed to be much more positive, especially since the fed minutes were released on Wednesday.

So, does that mean the stock market selloff is over?

If you're wondering where the stock market selloff is over, because you're looking to buy [Canadian stocks](#), it's too early to tell. This week we've certainly seen positive developments, but at the moment, all of the issues that the market has been concerned about continue to persist.

But while it's far too early to tell if the market is about to rebound, it also shouldn't really matter.

When buying stocks, we should be buying companies based on their outlook and their stock price. And for almost every Canadian stock, neither of those have changed over the last week.

If you were looking at stocks that seemed attractive last week, chances are, they are still some of the best stocks to buy now, even if they've gained a few percentage points as the market has rallied.

The same issues still face the market, so it's imperative to own high-quality stocks and understand what headwinds they face, or if they are defensive stocks, what benefits they'll bring to your portfolio in the coming years.

And if you're looking to add stocks to your portfolio, here are two of the best now.

A defensive stock to buy for safety during this market selloff

For some investors, the priority right now is to shore up their portfolio and add more defence. If that's the case for you, one of the best stocks to buy now is **Emera** ([TSX:EMA](#)).

Emera is a utility stock with incredibly safe and defensive operations. This means two things. First, it's one of the most reliable businesses you can buy, whether there is a stock market selloff or not. And because the company and the cash flow it earns are so reliable, it makes for an excellent dividend-growth stock.

In addition, though, investors know Emera is highly reliable. Therefore, as volatility picks up, it's one of the last stocks investors will want to sell, and, therefore, it's much more stable than many other stocks on the market.

Plus, the dividend payments that Emera makes become that much more attractive when investors are struggling to find any capital gains. Therefore, if you're looking to shore up your portfolio during this stock market selloff, Emera is one of the best stocks to buy now.

A high-potential growth stock trading ultra-cheap

Another option in this environment is to try and find the best discounts possible in the best stocks that you can buy and hold long term. If you're going bargain hunting during this stock market selloff, one of the best stocks to buy now is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Despite its stock's recent performance, Shopify is still an incredible company and one that has tonnes of long-term potential.

In recent months, Shopify's massive selloff has been a result of its growth slowing (it's still growing well) down from the pandemic as well as investors increasingly looking for stocks that are already earning a profit.

Despite the fact that Shopify has fallen out of favour, though, it continues to make great progress and is in the midst of building out a massive fulfilment network, which would be a game changer for its business and merchants.

The stock may continue to struggle in the short term through the market selloff, but buying at this price and taking a long-term position is an attractive proposition.

If you're looking to take advantage of the stock market selloff and find high-quality investments for cheap, now is the perfect time to do so.

CATEGORY

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Date

2025/07/21

Date Created

2022/05/27

Author

danieldacosta

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