2 Stocks I Own and Will Buy More of if the Market Crashes

Description

Market crashes are not to be feared by young beginner investors, as they tend to be great buying opportunities for those who don't need the cash at any point over the near future. While the first-half market selloff has been quite vicious, I'd argue that a full-blown market crash is less likely, even if a recession is in the cards for 2023. In any case, such a market crash should be viewed as a chance to top up before the next inevitable run-up in stocks.

At the end of the day, market crashes and corrections are all part of what being an investor is all about. Sure, it'd be awesome if the stock market was like 2021 every year. However, it's unrealistic and unhealthy. The "Roaring 20s" are a prime example of what can happen if speculative euphoria goes unchecked for a prolonged period of time.

With most of the speculation of 2021 drained out of the markets, I'd argue that there's never been a better time to top-up some of your favourite investments. Sure, there's still overvaluation out there, especially among the bid-up energy plays. But investors can stock-pick their way to relative outperformance in a second half that could remain wildly choppy.

So, instead of rotating from what's no longer working (tech) to what remains hot (defensives), it makes more sense to nibble away at the blue chips that may be best equipped to rally come the next relief bounce.

In this piece, we'll check out three stocks I own but am cheering to fall further so I can buy even more shares at lower prices.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD) is a global convenience store company behind such brands as Circle K and Couche-Tard. The firm's winking owl logo is unmistakable. With a track record of synergy-rich acquisitions, investors are in good hands as the firm heads into a potential economic slowdown with more than enough dry powder on the balance sheet.

It's been a while since Couche-Tard made a huge takeover. The firm is definitely on the hunt for the next deal, but it's in no rush. The founder-led firm wants to create value for shareholders and is not willing to risk their shirts for a risky deal that may not lead to sufficient synergies.

Remember, mergers and acquisitions (M&A) can be a dangerous game for those who overpay. Acquisitions tend to accompany a premium price tag. So, if a firm is to make a deal worthwhile, the synergies must outweigh such a premium.

Couche-Tard excels at spotting synergies. As the world plunges into a recession or slowdown, Couche could have an opportunity to make every dollar go a long way. For this reason, I'll not hesitate to top-up my stake on any further weakness.

Bank of Montreal

Bank of Montreal (TSX:BMO)(NYSE:BMO) is one of my favourite bank stocks in Canada. The firm recently acquired Bank of the West in a deal that significantly boosts its presence in the states. For now, the deal has been viewed quite unfavourably. The U.S. banking scene is under a lot of pressure with a recession on the horizon. I think the pressure is unwarranted and wouldn't be surprised if BMO's latest deal propels it much higher in a post-recession environment.

With strong managers, a great dividend (4.7% yield), and a dirt-cheap multiple (6.59 times earnings), it's hard to pass up on BMO. It's no regional bank worthy of a relative discount; it's a worthy member of the Big Six with a lot to prove. And through prudent management and tech-savvy, I think they can close the gap with its bigger brothers.

The stock is down more than 22% from its peak. Should it fall further, I'd be happy to buy even more shares of the well-run bank play.

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