



## Have \$1,000? 1 All-Weather Stock to Buy Right Now

### Description

If you've got an extra \$1,000 lying around, now seems like a great time to put it to work as the market looks to give back a portion of its recent gains. Now, bear market bounces are bound to happen with every steep market sell-off. Though it seems unlikely that we'll return to the June lows, investors should be prepared for anything and look to take advantage of any pick-ups in fading investor sentiment.

Indeed, the Federal Reserve's recent minutes were anything but dovish. With a hawkish tone and sights set on crushing inflation, many investors expecting a dovish stance towards rate hikes were left hanging. Even if the Fed was open to slashing rates at some point down the road, just discussing it could prove reckless and reverse a bit of the progress in the fight against inflation. Raising rates with talks of cuts down the road can be quite counterproductive, given this economy really needs demand to cool down if prices are to follow.

### The Fed will do its best to engineer a soft landing

Nobody wants a recession. The Fed doesn't want one, but it may have no choice if it's to take care of inflation once and for all. We all want a soft-landing, but at the end of the day, it's tough to have your cake and eat it, too.

Fortunately, the Fed is right to continue being hawkish. Inflation needs to be controlled, and the economy seems robust enough to endure some sort of downturn.

Many wise pundits think a recession in Canada is coming. The good news is that it may already (mostly) be baked into stocks. Markets like to look ahead by a year or more, and we're staring at a potential recession. The good news is that after a downturn comes a new bull market. And markets could rally, even as we're officially dragged into a recession.

That's why I wouldn't sell here, even though everybody sees the recession coming. The real upside comes from upside earnings surprises. And Suncor Energy ([TSX:SU](#))([NYSE:SU](#)) seems like a topstock ready to surprise us all.

## Suncor Energy

Like the recession, markets seem to be already pricing in a further pullback in the price of oil. WTI (West Texas Intermediate) prices are hanging in at US\$90 per barrel. That's a far cry away from the US\$150 target that many targeted when oil was well above US\$100. Despite pressure on oil, I think the energy windfall is far from over, given the Ukraine-Russia crisis and its premium on oil.

Though inflationary pressures could drag oil down, top-tier producers like Suncor could continue to rake in considerable free cash flows. Indeed, Suncor used to be Warren Buffett's preferred Canadian energy stock. Though his firm has doubled down on U.S. energy plays, I think Suncor is one of the deeper bargains in the space today. With an oil pullback partially baked in, the 6.4 times trailing price-to-earnings (P/E) multiple seems [absurdly low](#). The P/E is below both industry and historical averages.

Suncor is no value trap. It's well-equipped to continue rewarding investors with big dividend hikes for many years to come. And if oil stays above US\$80 for longer, I think there's a lot of upward pressure on the stock.

Sure, oil and gas aren't sexy in the era of renewables. But these energy sectors are wildly profitable and could be for many years to come. Earnings don't lie, and they're unlikely to implode anytime soon, given a mild recession may not be enough to cause a typical downturn-induced drawdown in demand.

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