



1 Top Stock I'll Buy More of if it Crashes

Description

The stock market has been a stomach-churning ride for beginner investors. Last year, it was all too easy to make money over a short-term duration. These days, it's really hard to break even, as wild swings in both directions become the norm.

Volatility is incredibly high, and it could stay this way for many quarters to come, as we gain a glimpse of how much damage the coming recession will cause. For [new investors](#), there may be few, if any, reasons to brave the market selloff. Dip-buying isn't being rewarded to the same extent anymore. The bear market has been roaring loudly, and only those with long-term horizons and the ability to delay gratification will be able to make anything out of the recent barrage of excess selling.

As Warren Buffett, who turned 92 yesterday, put it, investors should do their best to "be greedy when others are fearful." With the bears starting to win the tug-of-war with the bulls, it's arguably a great time to take the Oracle of Omaha's timeless piece of advice by buying shares of hard-hit firms while the market overblows coming rate hikes.

Pulling the plug on a hot market to cool inflation

It can be so painful to see the Federal Reserve pull the plug on a market that they helped save during 2020. With inflation at jarring heights, there are few alternatives for a formerly dovish Fed that's just looking to do the right thing for the economy's long-term future.

In two years, I think the fight with inflation and the Fed will come to a conclusion. And stocks may have permission to rally to much higher highs, as the secular bull market kicks off again. That's why I'll continue to be a buyer of my favourite stocks on the way down.

CN Rail ([TSX:CNR](#))([NYSE:CNI](#)) is just one of the TSX stocks I own and will be ready to top-up should more downside be in the cards.

CN Rail

CN Rail is one of the names that I feel comfortable buying on dips, regardless of the market chatter. Sure, rails are economically sensitive, but there are few alternatives for the ultimate wide-moat transportation heavyweights. Chief Executive Officer Tracy Robinson's performance has been quite encouraging thus far. CN Rail has been a relative underperformer since the COVID crisis struck. Now, I think CN has the expertise to become a dominant force in the rail space again.

Though shipments could fade in a recession, they could come surging back shortly after. CN Rail stock held its own rather well during the 2008 Great Recession. With a milder economic contraction up ahead, I'd argue that CN is more than capable of shrugging off near-term concerns, as Robinson and company look to improve upon infrastructure to produce long-lasting improvements.

The recession won't last forever. CN's investments will outlast the recession and likely amplify the ensuing post-bear market rebound.

Of late, the stock has been [slipping](#) again; it's now off 9% from its recent high of around \$170 per share. Should a selloff take us back to \$140-150, I'll be ready to pounce on a company I can't get enough of.

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