1 Cheap Buffett-Inspired Stock I'd Buy Before May Goes Away!

Description

Don't look now, but the TSX just clocked in a remarkable 11-day win streak after ending it with a slight 0.11% decline on a weak day for resource stocks. If you sold in May and disappeared because of the horrifying volatility experienced in the early part of the year, you would have missed out on an impressive rally whose streak may yet be surpassed as we head into the latter part of the year.

Sure, it's easy to think that the TSX is dead money. Many pundits – Kevin O'Leary among them – have publicly noted their distaste for Canadian markets. Whether it's fears over economic uncertainties, commodity prices, or a lack of competitiveness versus our neighbours south of the border, the fact of the matter is that there will always be something to worry about.

In fact, peak worry levels are probably the best time to start buying, as the worrisome events are probably already baked into many stocks that trade on the TSX.

In many previous pieces, I urged Canadian investors to stick with their TSX-traded holdings instead of moving all their invested capital to the NYSE or NASDAQ. Not only are there many perks of sticking within the confines of Canada as a Canadian investor, but average valuations appear incredibly attractive, which should be enticing value-conscious American investors to look north of the border.

It's not just commodity stocks that are enticing either; many quality Canadian businesses have been trading at a Canadian discount simply because some investors are avoiding any businesses domiciled in Canada.

Alimentation Couche-Tard Inc. (TSX:ATD.B) is one value-priced growth stock that many American investors may have overlooked. Heck, they've probably never even heard of the name! Many non-francophones probably have no idea how to *pronounce* the name, let alone know what the business *does*.

It's a convenience store operator and consolidator that's consistently produced huge long-term shareholder value from its synergy-driving M&A activities. If you want a "1 + 1 = 3" scenario, Couche-Tard is a fantastic bet. You can think of them as the **Berkshire Hathaway Inc.** of the convenience store scene.

The company always considers value and getting the best bang for their buck. The creation of shareholder value is what comes first for the management team that has proven to be the best-in-class in the c-store industry.

Given the company's poised to enjoy +20% EPS growth over the foreseeable future though synergies from its latest acquisitions, 15.1 times forward earnings is a ridiculously low price to pay for huge growth.

The stock currently trades at a 17.2 trailing P/E, a 3.1 P/B, a 0.5 P/S, and a 11.4 P/CF, all of which are lower than the company's five-year historical average multiples of 21.9, 4.6, 0.6, and 14.3, respectively.

But the growth isn't gone. Not even close. The company has been hit with a barrage of short to medium-term issues including lower fuel margins, a supply chain issue and negative implications from unpredictable weather patterns.

These issues put a dent in the company's top and bottom lines over the short-term, but aren't an indication of a deteriorating business model or slowed growth. In fact, consumer spending is likely to surge in the U.S. as the economy continues to heat up. Thus, Couche-Tard is actually a fallen star that could make up for lost time over the next two years.

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