Meatless Investment: 4 Stocks to Buy During the Market Crash

Description

Uncertainty is everywhere investors look right now. Oil is in bear territory after OPEC failed to massage the sector, and could deteriorate further in 2020. Fear is everywhere, with tech losing momentum and gold galloping ever higher.

But let's assume the economy course-corrects and is booming in 2025. What sort of stocks should investors buy for steep returns with a short, five-year turnaround?

Today we'll look at the upside potential of meatless investment. These four stocks provide a range of plays for plant-based income and vary in terms of exposure.

The low-risk meatless investment

Restaurant Brands is a decent catch-all for the alternative protein investor. The fast food giant has experimented with meatless items in its Tim Hortons' outlets. It's also added the Impossible Whopper to its Burger King menus.

The coronavirus scare is eating into Restaurant Brands' share price of late. And so it might, given the social distancing trend of late. But that only makes this stock a better value buy right now.

Loblaw is as much a play for meat-free upside as it is for disinfectant, cut-price apparel, groceries, and medication. As such, it's far from a pure-play on alternative proteins.

However, it does cover the top names in plant-based foods. It's also a top stock for defensive dividends . Loblaw offers a diversified play on consumer staples – just the ticket for coronavirus safety in a portfolio.

The pure-play option

Beyond Meat is the best stock for direct access to meat-free upside. The **NASDAQ**-listed stock may have lost a certain amount of its positive momentum, though it still trends upward.

Meatless products in general are a safe play at the moment, with consumers potentially willing to pay a little more for ingredients. The issue during the coronavirus, though, is the social aspect of fast food. However, with initiatives such as UberEats, such businesses could continue to thrive through food delivery.

Fast food, an affordable luxury, is therefore a sound all-round investment. Restaurant Brands is on sale after dropping 6.6% last week to $73 a share. **Uber Technologies**, parent of UberEats, is also on sale at $31 a share after falling 6% last week.

Loblaw fared much better, however, raking in an 8.8% gain amid ratcheting fear. That beat even the high-momentum pure-play of Beyond Meat, up 7% over the week.

Restaurant Brands and Loblaw are arguably the two safest plays here. They're both steady earners, with projected total returns by 2025 of 63.5% and 57.4%, respectively. Both stocks also pay dividends. Restaurant Brands pays a dividend yield of 3.75% with an 83% payout ratio.

Loblaw's 42% payout ratio shows better coverage and more room for dividend growth. Its dividend yield of 1.74% is considerably lower than that of Restaurant Brands, though the grocer is the more defensive pick with considerably better diversification.

Overvalued Uber is in last place in terms of outlook and overall stats. Meanwhile, Beyond Meat has the highest growth potential, plus a decent balance sheet.

The bottom line

Buy into weakness in the short term and you'll bite into upside in the long term. The meatless investment thesis for buying beaten-up stocks is strong right now. Contrarians have a broad range of opportunity, with everything from supply chains to fast food chains on sale.

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