COVID-19 Lockdown: 3 Stocks to Buy Before April

## Description

The government has taken huge steps to stymie the spread of COVID-19 in Canada. Ontario declared a state of emergency this past week, urging restaurants, bars, and other non-essential services to scale back operations. Those who can work from home have been encouraged to do so. This new reality has been jarring for many people.



Some companies may benefit from this new reality, as temporary as it may be. Sin stocks are looking like an interesting target in this environment. Streaming companies will also benefit from adults and children spending more time at home in the near term. Let's jump in and look at some stocks that are well positioned in these sectors.

# "Sin" consumption rising due to COVID-19

Alcohol may not qualify as "recession-proof," but it should be viewed as recession resilient. Recent reports indicate that alcohol sales have surged in recent weeks. **Corby Spirit and Wine** (TSX:CSW.A) is a stock to watch right now. Its shares have dropped 16.5% over the past month as of early afternoon trading on March 20. Some of its brands include Wiser's Whisky, Polar Ice Vodka, Lamb's Rum, and Ungava Premium Gin.

The company has seen improved sales for its top brands in recent quarters. Corby boasts an immaculate balance sheet. Shares last had a favourable price-to-earnings ratio of 15 and a price-to-book value of 2.3. The stock last paid out a quarterly dividend of $0.22 per share, which represents a 6.1% yield. I like diversified alcohol stocks like Corby right now, and this company stands out as one of the best in Canada.

Cannabis sales have enjoyed a significant uptick in the month of March. The Ontario Cannabis Store (OCS) and Societe Quebecoise du Cannabis (SQDC) have both reported higher-than-average sales in recent weeks. Online stores have been robust with consumers looking to stock up as they prepare to hunker down due to the COVID-19 outbreak.

Earlier this week, **Canopy Growth** announced that it was temporarily closing its retail stores citing social responsibility in this crisis. Canopy is encouraging customers to buy online rather than seek out retail locations. Shares of Canopy were up 4% week over week at the time of this writing.

## One Canadian streaming stock to watch

Investors should expect an uptick in streaming service consumption with so many Canadians confined to their homes. Canada does not have a wealth of providers in this area, but there is one stock worth watching right now.

**WildBrain** (TSX:WILD) is a Canadian media company that is the largest independent owner of children's television in the industry. Its shares have plunged 27% over the past month. The stock is down 58% year over year.

Canada and the United States have pursued mass school closures in March. This means WildBrain's key demographic will be positioned to consume television and online media for weeks to come. In Q2 2020, the company reported that WildBrain Spark views grew 36% to 9.9 billion in the quarter. Views surged 51% in the first half of FY 2020 to 22 billion. This has powered revenue growth of 6% in the first half of the year.

Investors should not underestimate the traffic streaming and television providers will experience in the weeks ahead. WildBrain is betting big on its platform, and this could provide a big boost in what has already been a promising year.



**CATEGORY**

1. Coronavirus
2. Investing

**TICKERS GLOBAL**

1. TSX:CSW.A (Corby Spirit and Wine Limited)

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