



2 Must-Buy Stocks That Remain “Steals” Amid the Market Rebound

Description

The only thing more shocking than [the coronavirus-driven crash](#) was the historic three-day market rebound that brought the **TSX Index** up a whopping 20% from its bottom. If you tried to time your entry and exit from the markets, you might have missed the pop, and you may be looking to rush back into stocks before things go back to normal. While I can't tell you whether or not the recent rally is sustainable or another dead cat's bounce, I can tell you that the Canadian market is still abundant in value opportunities for long-term investors.

Still plenty of value out there

Don't go all-in on stocks here just in case we retest the lows. But do start putting some cash to work if you've yet to do so. Chasing the market is a fool's (that's a lower-case f) game, as panic evolves into the fear of missing out (FOMO). Still, if you pick your spots carefully and nibble on the way up during this market rebound as you would on the way down, you can prudently snag a bargain. Although the bargains on Monday were much, much better, the scent of value is still in the air.

This piece will have a look at two stocks that are still substantially priced below my intrinsic value estimates. Without further ado, consider **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and **Lightspeed POS** ([TSX:LSPD](#)).

Restaurant Brands International: Well positioned for a market rebound

Restaurants are being shuttered amid the coronavirus crisis. Restaurant Brands is going to suffer a material hit to upcoming quarters, and the stock has been punished accordingly, with shares nosediving 55% from peak to trough this year, after treading water following company-specific issues relating to sluggish comps at Tim Hortons, one of the company's three powerful brands.

Restaurant Brands isn't going anywhere. The company is still well capitalized, and it's going to come

roaring back when this pandemic is gone, even if it leaves behind a nasty recession. You see, a recession is a time when fast-food firms like Restaurant Brands can thrive. The company sells “inferior” goods, and when consumers tighten the belt, the demand for such goods will stand to rise, as the consumer spending slides.

The company sported a dividend yield near the 7% mark at the bottom — a time when [I was pounding the table on the stock](#). Shares of QSR have since rocketed 50% off the bottom in conjunction with the market rebound, but I still see compelling value to be had from a stock I believe is worth \$100.

Collect the 4.7% yield and hold onto the stock, as it recovers from one of the worst economic shocks in history.

Lightspeed POS: An unfairly hit stock that could skyrocket in a market rebound

Lightspeed stock go walloped this year, falling 74% from peak to trough (the stock has almost halved twice!). The commerce-enabling firm relies on the success of small- and medium-sized businesses for their growth, so it's understandable why investors were bearish on Lightspeed amid the coronavirus crisis. The company provides invaluable services to small- and medium-sized retail and restaurant businesses, which are among the most vulnerable of firms these days.

Many businesses have closed their doors, are becoming less liquid by the day, and could be on the cusp of bankruptcy. And while the impact will hit Lightspeed hard, one must remember that this pandemic will pass, even if there are casualties. Once things normalize and social distancing is no longer a recommendation of the federal government, people will gradually return to restaurants and retail shops. And the demand for Lightspeed's services will bounce back. As for Lightspeed's stock, I suspect it could bounce back a lot quicker, potentially at the speed of light.

The damage is overdone on this promising growth stock. So, if you're in the market for hyper-growth at a decent multiple, I'd nab Lightspeed shares, as they look to recover ground amid the market rebound.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:QSR (Restaurant Brands International Inc.)

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Date

2025/08/24

Date Created

2020/03/27

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