2 TSX Stocks at All-Time Highs: Should You Buy Them?

Description

The coronavirus crash has caused shares of even the most resilient companies to fall from glory. In the market-wide sea of red, there were a few green spots, and this piece will have a look at two of them to see if either if worthy of buying in the midst of this pandemic.

Without further ado, consider **Loblaw** (TSX:L) and **Jamieson Wellness** (TSX:JWEL), two TSX-traded stocks that are actually back at all-time highs, while the TSX Index is still down over 20% from its peak.

Loblaw

The Canadian grocer fell alongside everything else in the early stages of the coronavirus crash but was quick to rebound when the cash crunch finally subsided. As the insidious coronavirus (COVID-19) continues its spread across the nation, Loblaw will continue to hold its own as its "essential" stores are left open to meet the needs of the communities it's continuing to serve through these tough times.

Not only will Loblaw continue to rake in revenue through the coronavirus crisis, but it'll stand to be one of the few firms that could stand to beat analyst expectations, as panic-buying of necessities (food and toilet paper) has been rampant over the past month.

At the time of writing, Loblaw stock is sitting at an all-time high just shy of $76, with shares up an impressive 13% year to date. Investors recognized that Loblaw is a defensive way to ride out the pandemic and the looming recession. As such, shares of the stable stalwart are fairly valued at around 16.5 times next year's expected earnings.

Fellow Fool contributor Karen Thomas expects free cash flow over $1 billion annually and believes that Loblaw is a stock that could continue to provide investors with respectable returns. While Loblaw is well equipped to outperform the broader basket amid the turmoil, I'm not at all a fan of the valuation here and would prefer investors wait for a pullback if they're of the belief that the looming recession will be mild.

Jamieson Wellness

I've been pounding the table on **Jamieson Wellness** (TSX:JWEL) stock well before the coronavirus gripped this market. I praised the company for its stable, low-risk growth profile, the firm's defensive characteristics, and its dominant position in a global market that's slated to enjoy secular tailwinds.

Like Loblaw, Jamieson initially pulled back on the coronavirus crash, but shares were quick to rebound, as investors flocked to defensive plays to weather the pandemic and the recession it'll surely leave behind.

"Jamieson doesn't have a magic pill that can cure coronavirus, but it sure seems like it given the limited damage that the stock has endured over the past month." I said in a prior piece. "When everybody is trying to amp up their immune systems to fight a virus, Jamieson's products are going to sell like hotcakes." I said in a prior piece. "Regardless, wellness isn't just a trend that's going to stick around during times of pandemic. Jamieson's riding a long-lived secular trend."

Jamieson stock is sitting near all-time highs, and with a 3.2 times sales multiple, the stock isn't exactly what you'd consider expensive given its double-digit growth potential. Unlike most other growth companies, Jamieson can continue growing in times of economic hardship, making the name a top defensive growth pick in the face of a recession.

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TICKERS GLOBAL

1. TSX:JWEL (Jamieson Wellness Inc.)
2. TSX:L (Loblaw Companies Limited)

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