Market Crash: 2 Canadian Stocks I'm Buying if Things Get Worse

Description

Keep your powder dry, because you're going to need it that way if we're not headed for a V-shaped recovery from this market crash. From a historical perspective, we're still in the early innings of the bear market. As such, it's vital to prepare a shopping list of Canadian stocks that you'd be willing to buy should they look to retest their March lows.

Here are three Canadian stocks that I've bought on the way down and will be looking to add should the market crash further.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is the epitome of a wonderful business that you'd want to own when we're on the cusp of a recession. Management is poised to double profits in five years, and even if we're hit with a long-lived economic downturn, I still think Couche-Tard is a must-buy at these dirt-cheap valuations.

As one of the rare consumer staples on the TSX Index, Couche-Tard is a great defensive way to ride out the coming economic downturn. The company is a global convenience store kingpin that will not see its sales fall off a cliff when the recession finally hits. And whenever the lights are dimmed on the economy and the market crashes, Couche has the liquidity in place to buy one or more of its poorly capitalized and operationally inefficient peers at a considerable discount to its intrinsic value.

Couche only acquires companies if there's a high probability that substantial value will be created for its shareholders, taking into account integration risks and all the sort. As such, every deal made by Couche inspires a rally and not a pullback like with most other acquirers. With Couche, you know for sure that the company isn't going to risk its neck by overpaying for an acquisition. If there's no deep value to be had in a proposed deal, Couche will simply walk away, just like Warren Buffett would.

I see Couche as rising out of the market crash roaring, as it looks to scoop up distressed competitors (like Caltex) on the cheap. Given the calibre of defensive growth you're getting from Couche, I find the stock's 8.4 EV/EBITDA multiple making zero sense. To put it frankly, the stock is the closest thing to a steal on the market today, and I'm going to continue adding to my position all the way down.

Restaurant Brands International

Restaurant Brands International (TSX:QSR)(NYSE:QSR) is a fast-food kingpin that's in one of the most out-of-favour industries out there amid the pandemic market crash. Nobody is dining in at restaurants, and with people afraid to catch the insidious COVID-19, many consumers are wary of venturing outside to pick up their daily double-double.

The rise of the "stay-at-home" economy has been a disaster for the restaurant industries, but one has to think that these dark times won't last forever. Restaurant Brands remains well equipped to continue riding out these tough times, and as society returns to normalcy, I'd look to the now severely undervalued Restaurant Brands stock to make a move to $100 and pick up where it left off late last year.

The challenges seem insurmountable for Restaurant Brands in the heat of the moment of a market crash. But if you're betting on a return to normalcy, there's a massive 5.3% yield for you to lock in alongside what could be outsized gains in an upside correction. I've been an aggressive buyer of QSR stock and welcome a retracement to March lows, so I can buy even more shares at an even higher yield.

Stay hungry. Stay Foolish.

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