2 TSX Stocks to Buy Right Now if You Have $2,000

Description

Top **TSX** stocks have largely recovered almost half of the value that was lost amid the COVID-19 crash since February. However, this picture could turn gloomier with quarterly earnings and rising recession jitters.

It is still an attractive opportunity for new investors, because many high-quality stocks are trading at bargain levels, and their long-term growth prospects look really good. I will cover two such TSX stocks that seem well placed in these critical times after the brutal selloff.

Top TSX stock: Kirkland Lake Gold

The $11 billion **Kirkland Lake Gold** (TSX:KL)(NYSE:KL) is a leading low-cost gold producer in the industry. It has huge gold reserves driven by its recently completed Detour acquisition. Its operationally efficient operations have notably improved profit margins in the last few quarters.

As global investors turn to safe-haven investments, gold prices are expected to continue to surge for the rest of 2020 and beyond. Higher gold prices doubly benefit gold mining companies and investors. First, improved realized gold prices expand miners' margins; second, the direct correlation with the yellow metal's prices uplift miners' stock prices as well.

Top TSX stock Kirkland Lake looks fairly valued at the moment. This indicates that it still has room to grow and might not exhibit significant weakness in the near future.

Kirkland stock was the top gainer in the last decade with a more than 6,500% return, thrashing peer TSX stocks by a wide margin.

One more highlight in Kirkland Lake's story is its strong balance sheet. Many big gold miners have a huge amount of debt on their books, as mining is unmistakably one of the most capital-intensive businesses. However, Kirkland Lake has no debt on its books. That not only gives it financial flexibility but improves its profitability as well.

MTY Food Group

The restaurant industry is one of the most hugely impacted industries amid this COVID-19 pandemic. Thus, **MTY Food Group** (TSX:MTY) stock has fallen more than 70% since mid-February. But I believe the stock has already suffered enough and the downside from here could be limited.

Montreal-based MTY Food Group franchises and operates quick-service restaurants primarily in Canada and North America. It has 2,828 franchisers in Canada, 4,092 franchisers in the U.S., and 521 in international markets. The company has managed to grow its revenues and profits at a rapid pace in the last few years.

I believe the pandemic could have an unfavourable impact on MTY's earnings for a couple of quarters, but its long-term growth prospects remain intact. The company will report its first-quarter 2020 earnings today. It will be interesting to see how management sees things going forward and how it is placed amid challenging times.

Also, MTY stock offers a dividend yield of 4%, which is marginally higher than the average TSX stock. If one invested $2,000 in MTY stock at the start of 2020, they will make $80 per year in dividends.

The recent weakness in MTY stock could be an attractive opportunity for long-term investors. The stock has never been this cheap in the last eight years. Once the pandemic is contained and lockdowns are over, TSX stock MTY could soar back to its recent highs.

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