

A Faster Vaccine Could Spark a Market Rally

Description

The last few weeks have seen markets rally, as the virus has become more contained. Now, there is even more optimism around the potential arrival of a vaccine sooner than experts had been expecting.

Much of the selloff in stocks was regarding the uncertainty going forward. In addition to not knowing how long it will take to control the spread of the virus completely, we also don't know what it will take to reopen the economy successfully.

Some have said mass testing will be sufficient, while others have said that won't be enough. One thing's for sure, though; a successful vaccine is the only sure way to get over this.

Last week, it was reported that **Gilead Sciences** saw early positive signs from its coronavirus vaccine testing. This suggests a vaccine could be ready sooner than the market had expected.

More will be revealed soon, but if this is the case, and stocks are set for a major rally, investors need to act quickly to take advantage of what discounts in markets are left before they are gone altogether.

Two of the most attractive stocks to buy today before a major market rally are **Aritzia** (<u>TSX:ATZ</u>) and **Great Canadian Gaming** (TSX:GC).

Retail stock for a market rally

Aritzia is a fashion and retail stock operating across Canada and the United States. There have been significant worries about some retail businesses struggling during this lockdown.

A lot of that's due to issues that preceded COVID-19 with the rapid emergence of e-commerce. The one company, however, that has been defying the odds and should be able to handle the current environment well is Aritzia.

Aritzia is a top company that continues to grow in popularity with its customers. Plus, it's a growth stock, so you know when sentiment starts to come back, and there is a major market rally, Aritzia will

be ready to take advantage.

The company had already been focusing on increasing its online sales. Before COVID-19, Aritzia was targeting 25% of its sales to be online.

25% of sales from online is pretty ambitious, especially since Aritzia's boutiques are big money makers. That would have been a difficult task to achieve, but with the current environment, e-commerce being the only way to shop, it could fast track that online growth Aritzia was aiming to achieve.

When things get back to normal, you can expect Aritzia to continue to snowball. Before the shutdowns, it was opening stores rapidly, as the cash flow return on the stores is attractive. This led Aritzia to double its revenue in the last five years.

There's no question why Aritzia is a top growth stock on the **TSX**. Today, it trades for more than 40% below its 52-week high — a great deal ahead of a market rally.

Growth stock for a market rally

Another thing consumers are excited to do once lockdowns are over is going to entertainment venues. This will make those entertainment stocks attractive in a market rally.

Great Canadian owns a portfolio of casinos racetracks and other entertainment venues. The stock has been a top growth company in the last few years, and this should continue as well when things get back to normal.

The company runs a top casino business in Canada that's been extremely successful in renovating properties and improving profitability. This has led to significant growth for Great Canadian, similar to Aritzia.

The company has increased its sales by more than 100% in the last two years and will continue to see growth, as it completes renovations and improves gaming areas.

Casinos are great businesses to own, especially for the long term. So, to be able to buy a rapidly growing casino stock while it's trading 50% off its highs is hard to pass up.

The significant value and top long-term growth potential make Great Canadian one of the most attractive stocks. So, look for it to outperform significantly in a market rally.

Bottom line

The market has priced a lot of these companies with significant value. This is giving investors a big opportunity ahead of a market rally.

However, there's no telling when that may come next, so stay patient and be ready for anything.

CATEGORY

- 1. Coronavirus
- 2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. TSX:ATZ (Aritzia Inc.)

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