



Revealed: 3 Stocks That Could Soar Once the Economy Re-Opens!

Description

The [coronavirus](#) pandemic has hit some industries far harder than others. Some hard-hit sectors, such as restaurants and certain retailers, are better positioned to recover sooner rather than later, and others (like airlines and cruise lines) may be stuck in a rut for many years after the insidious coronavirus has been wiped out. This piece will have a look at three companies that I believe will come [roaring](#) back once the economy is gradually re-opened over the coming weeks and months.

Without further ado, consider the following TSX stocks that I view as top picks as businesses are given the green light to re-open.

Alimentation Couche-Tard

First up, we have Quebec-based convenience store kingpin, **Alimentation Couche-Tard** (TSX:ATD.B), which recently walked away from its bid on Caltex Australia — a move that I believe ought to be applauded by long-term investors in these unprecedented times.

The managers working behind the scenes have a knack for driving synergies and creating value from M&A activities. The company gets an “A” grade for making deals that result in “1 + 1 = 3” types of value-creating acquisitions in an era where firms just make acquisitions for the sake of impressing short-term thinkers on the Street.

Amid the coronavirus (COVID-19) pandemic, Couche has what it takes to ride out these dark times with its impressive liquidity position. And as its peers struggle with liquidity, I wouldn't at all be surprised to see Couche take advantage of the situation with an acquisition at a discount (and not a premium) to the intrinsic value of the underlying company.

Restaurant Brands International

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is a top pick if you're of the belief that people will start dining in at their favourite fast-food chains like Popeyes, Tim Hortons, or Burger King

again.

While I expect comps will continue to take a hit over the coming quarters, I expect a slow and steady U-shaped recovery as consumers, who are probably sick of home cooking, return to their “normal” routines.

Moreover, the coming comps decline may be less drastic than many analysts are expecting. Take-out and delivery may prove to alleviate more of the pressures that fast-food firms are facing. If that’s shown to be the case in the coming quarter, I expect QSR stock to soar on better-than-feared results that will only stand to get better as we return to normalcy.

For now, scoop up the 4.5% dividend yield, while you wait for sales to rebound as the economy re-opens for business.

Canadian Tire

Finally, we have **Canadian Tire** ([TSX:CTC.A](#)), a battered discretionary retailer that got thumped on the coronavirus pandemic. While I expect discretionary spending to take a hit on the coronavirus-induced recession that’s around the corner, I’m also of the belief that more than just a recession has been baked into the stock here, with shares currently down 48% from their all-time highs.

In a recession, discretionary spending will be muted, but it will still be a heck of a lot higher than during a pandemic. When you consider Canadian Tire’s e-commerce platform is still lacking versus the competition, I’d say that the company will regain its number one advantage once the economy reopens: its widespread physical presence.

Mall-based Mark’s and Sport Chek stores will be open again, and I wouldn’t at all be surprised to see pent-up demand for certain discretionary items that will likely be on sale for Black Friday-level prices to win back the business of Canadians who’ve been hunkering down for months.

The stock sports a 4.9% yield, which is bountiful enough to keep contrarians patient as they wait for things to return to normal after this unprecedented health crisis.

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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:QSR (Restaurant Brands International Inc.)

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Date

2025/07/21

Date Created

2020/04/24

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