Got $5,000? 2 TFSA Top Picks to Buy Now

Description

These are unprecedented times, and for investors, there's an unparalleled magnitude of uncertainty clouding the near- to intermediate-term future of many companies.

That's a huge reason why many firms have been pulling their guidance from left, right, and centre. Not even managers who know the ins and outs of their businesses (and industries) can project what's going to be in store in the era of the insidious coronavirus. The coronavirus is moving the market, and most individual companies are going to fluctuate on exogenous news relating to the coronavirus and the economic damage it's caused.

For those with extra cash to invest, it may be a wise idea to nibble away at certain stocks gradually over time, rather than putting it all to work after one of the best months for stocks in decades. While there are many bargains to be had today, investors should be ready for a worst-case scenario that could result in the raining of gold.

Warren Buffett hasn't swung for the fences yet, and neither should you, as this relief rally looks to exhaust itself in what could be a "sell in May and go away" scenario. If you're still keen on buying stocks today, consider shares of **Alimentation Couche-Tard** (TSX:ATD.B) and **Restaurant Brands International** (TSX:QSR)(NYSE:QSR), two companies that got hit way too hard amid the coronavirus crisis.

Couche-Tard

Couche is a convenience store kingpin that's always on the hunt for M&A opportunities that can create substantial value in the form of synergies. Unlike most companies with the urge to merge, Couche is only willing to make a deal if there's a reasonable chance at long-term value creation. If the risk of value destruction is too high for a given price, Couche will simply walk away and take its money elsewhere.

The company recently walked away from its pursuit of Caltex Australia, a firm that was under a bit of pressure well before the coronavirus gripped the global economy. Now that the coronavirus has introduced a new slate of risks, Couche pulled its “sweetened” deal and is now finding itself on a tonne of liquidity at a time when it’s vital for survival.

As one of the few consumer staples on the TSX Index, Couche is also in a far better position to hold its own as the recession (or depression) hit in the post-pandemic era. With such defensive growth prospects, Couche should be trading at more than just 0.55 times sales, especially given its stellar liquidity position.

Restaurant Brands International

Restaurant Brands International is one of those stocks that got beaten up far more than it should have during the coronavirus crash. The stock rocketed 70% off the March 23 bottom and could be on its way back toward all-time highs, despite the drop-off in comps across Tim Hortons and Burger King.

As expected, Restaurant Brands had a tough quarter. Remarkably, Popeyes Louisiana Kitchen held its own, making it arguably the best combatant in the fried chicken wars, if not the hottest fast-food franchise on the planet.

Bill Ackman recently reported a nearly 10% stake in Restaurant Brands, noting that he believes QSR common stock is undervalued. I think he’s right on the money, with a stock that’s moved on nothing more than sheer panic over the past few months.

If you’re looking for a company that will come roaring back once the economy re-opens, look no further than Restaurant Brands stock. While lacklustre Tim’s comps are concerning, I’d say there’s a massive margin of safety to be had at $69 for investors looking to reduce their downside risk in these highly uncertain times.

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CATEGORY

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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

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