



Investors: These 3 Top Canadian Stocks Are Screaming Buys Today

Description

Even though the market has [rallied significantly from March's lows](#), value investors needn't worry. There are still significant bargains out there.

As any good investor knows, however, it's not just about getting a bargain. You must also put your cash to work in an excellent company, the kind of organization that can grow your money over the long-term. Many cheap stocks languish in value territory for years, slowly getting less expensive as fundamentals continue to deteriorate.

Nobody wants that in their portfolio. Which is why it often pays to insist on quality, even if it's a little more expensive.

Let's take a closer look at three top Canadian stocks that are both high-quality *and* inexpensive. Your portfolio won't want to miss this.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) has been consolidating the convenience store market for decades now, growing the portfolio to nearly 15,000 locations worldwide. The company's brands are located across North America, Europe, and Asia. Couche-Tard also explored an acquisition in Australia. COVID-19 put a stop to that.

Many investors are concerned about the impact COVID-19 will have on the convenience store business, particularly on gasoline sales. After all, the world is awash in oil after most everyone quarantined at home. But oil has rallied lately as miles driven start to recover.

Many pundits are proclaiming 2020 to be the year of the road trip as families take vacations closer to home. And many commuters will opt to drive rather than take mass transit, at least for a little while.

Shares trade at just 16 times trailing earnings and even though the stock has rallied smartly off recent lows, it's still down some 15% compared to its 52-week high. Today is a good buying opportunity.

Restaurant Brands

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is the parent company of several iconic fast food chains, including Tim Hortons, Burger King, and Popeyes. Together, these three brands boast more than 25,000 separate locations with restaurants spread across the world.

COVID-19 has hit the restaurant business hard; there's no doubt about that. But something interesting is happening. Quick-service brands with drive-thrus are [seeing a nice recovery](#). In fact, many of these businesses have largely recovered. Volume is only down a little bit compared to a pre-COVID world.

Despite this quick recovery, investors are still a little nervous about Restaurant Brands' future. Shares are still down some 30% compared to 52-week highs, which represents an excellent long-term buying opportunity to own these excellent brands. And investors are paid a generous 4% dividend yield while they wait.

Toronto-Dominion Bank

Toronto-Dominion Bank ([TSX:TD](#))([NYSE:TD](#)) is widely considered one of the finest banks in Canada, with many investors putting the Toronto-based financial institution atop their list. It's easy to see why.

TD Bank is among the leaders in every important banking category in Canada. It has become one of the nation's top mortgage lenders. Its credit card division is also top-notch. The company's wealth management, insurance, and capital markets operations consistently post good results, too, and management have done a masterful job expanding into the United States. In fact, more than a third of its earnings now come from these U.S. operations.

It isn't very often TD trades at a low valuation, so investors should take advantage of today's opportunity. Shares trade hands at just 8.6 times trailing earnings. Yes, the next few quarters could be nasty, but I'm confident TD will return to regular profitability within a couple of years.

The stock is even cheap on the dividend yield basis. Before COVID-19, the yield was regularly below 4%. Nowadays, the payout is closer to 5.5%.

The bottom line

It's a perfect time to add these three top Canadian stocks to your portfolio. They're all cheaper than they've been for years, and long-term upside still looks good.

Take advantage of this opportunity. It might not be here for much longer.

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2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:QSR (Restaurant Brands International Inc.)
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