



Market Rally: 3 TSX Stocks About to Skyrocket

Description

The market has gone on a wild ride in the last three months. First, the **TSX** crashed by more than 30%. Then, as governments around the world acted quickly to help stabilize economies, markets recovered rather quickly. However, it's clear now that the forward-looking market continues to see growth ahead, which is what explains the massive rally.

Numerous stocks are up considerably from their lows earlier this year. And for investors who'd bought some of the best stocks at the right time, you could already be seeing 100% gains.

However, investors who've missed the market rally may not have had an opportunity to realize these gains. Lucky for those investors, some stocks have underperformed until now.

The first stocks to outperform were defensive equities and reliable blue-chip businesses. However, as those have been bid up back to near pre-COVID-19 levels, value stocks are starting to outperform.

Here are three stocks to buy soon before you miss the next portion of the market rally.

TSX media stock for the market rally

Corus Entertainment ([TSX:CJR.B](#)) is a high-quality value stock I bought back in early April. The stock was way oversold to that point, offering significant value for long-term investors.

Since then, the stock has appreciated slowly. However, in the last few weeks, it started to really take off.

The worry with Corus was that the pandemic would impact the economy bad enough that advertising dollars (which make up 65% of its revenue) would drop off considerably.

However, Corus declared the June dividend this week, which is a very positive sign. In the last earnings report, management reiterated the uncertainty on the business. It also suggested that a temporary dividend cut may be necessary.

However, after declaring the dividend this week, it's clear that whatever impact the company has seen on revenue, it's small enough for Corus to handle.

This news will no doubt give a lot of investors confidence in Corus. So, I would expect it to start to skyrocket soon. And because the stock remains so cheap, if you're looking for a high-growth stock in this market rally, Corus is one of the best [value stocks to buy](#).

Small-cap growth stock set to rally

Andrew Peller ([TSX:ADW.A](#)), the next stock on the list, hasn't seen a major jump. However, the stock has slowly been trending back upwards after being sold off by more than 50% during the market crash.

The Canadian winery stock is a great long-term business to own. It has a long track record, significant market share in domestic wine, and strong vertical integration, which improves profitability.

It's also proven to be a great long-term growth stock. Not only has it made a string of high-quality acquisitions, but it's now seeing organic growth from the new products it's been bringing to market.

The stock will likely still see an impact from lower restaurant sales as they remain closed, but its strong wholesale and retail business should help it weather the storm in the short run.

Andrew Peller continues to offer significant value, making it the perfect stock to buy in this market rally.

A top income stock for the market rally

The last stock to buy before it skyrockets is **A&W Revenue Royalties Income Fund** ([TSX:AW.UN](#)).

Up until the coronavirus pandemic hit, [A&W](#) was one of the top growth stocks on the TSX. The burger chain has seen explosive growth in Canada in the last decade.

The combination of high-quality food, healthy ingredients, and strong marketing campaigns have driven A&W to be the second-largest burger chain in Canada.

This explosive growth saw several new restaurant locations opened every year, which brought along with it considerable dividend increases.

Since restaurant stocks have been some of the hardest-hit businesses, the stock was sold off nearly 65%. And although it's recovered and grown almost 100% from the lows, it remains more than 33% off its highs.

This is leaving considerable upside for long-term investors willing to take a position now.

Although, investors should note that there is still some risk. However, given that A&W is a quick-service restaurant and not a dine-in business, the company should be able to handle any short-term

issues going forward.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:ADW.A (Andrew Peller Limited)
2. TSX:AW.UN (A&W Revenue Royalties Income Fund)
3. TSX:CJR.B (Corus Entertainment Inc.)

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