



## How to Invest Extra COVID-19 Stimulus Cash

### Description

Turbulent market times like this are great opportunities to buy top stocks on the **Toronto Stock Exchange**. People become fearful and overreact to market news like falling profits. Luckily, the COVID-19 health crisis is only temporary, and stock market investing is a [long-term endeavour](#).

Don't get caught up in the fear of loss. Now is the time to buy high-return stocks to hold for the next 10 to 20 years. **Molson Coors Canada** ([TSX:TPX.B](#)) ([NYSE:TAP](#)) is one of those great stocks that took a huge dip this year.

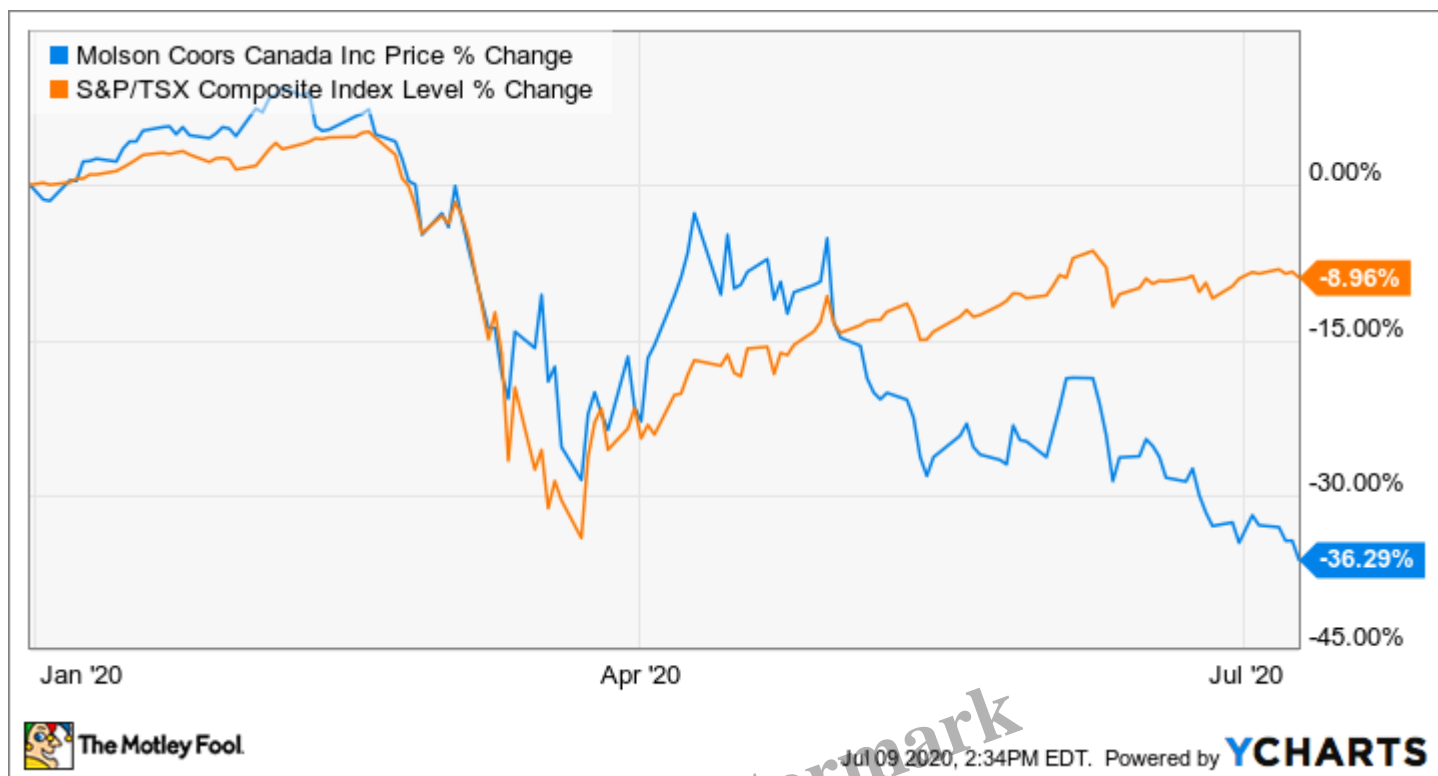
### COVID-19 decreases on-premise sales

The first three months of the year didn't go as well as planned for Molson Coors Canada. Coronavirus restrictions halted the hospitality and service industry.

Molson Coors CEO Gavin Hattersley commented in the 2020 first-quarter earnings:

"Like everyone else, the full impact and what our new normal looks like going forward is still uncertain, but coronavirus has had, and will have, a material impact on our business. We will continue to navigate this challenging time by first protecting our employees and mitigating the short-term risks, and second ensuring that we position the business to compete and win in the long term."

Molson Coors stock dipped along with the general market in March 2020. The stock rebounded quicker than the market throughout April. Unfortunately, this market correction was short-lived.



When Molson Coors reported first-quarter earnings on April 30, the market value of the company's stock fell further. Company management was honest about the substantial decrease in on-premises sales of beverages. Orders from the hospitality industry sank and at-home consumption did not make up the difference.

COVID-19 reduced on-premises sales to zero according to the earnings press release. For a company whose on-premises sales comprise 23% of its total revenue source, this hit impacted shareholder profits significantly.

## Looking forward to a Molson Coors stock rebound

The good news is that these effects will not last forever. People will go back to bars and restaurants. When that happens, Molson Coors's stock price will most likely return to normal along with the firm's revenue.

It is crucial to remember at times like these that this is a temporary shock rather than a permanent condition. Molson Coors hasn't suffered any major blows to its brand. Nor has the company fallen prey to the competition.

The company is still as fundamentally strong as it was prior to this crisis where it matters: branding and consumer loyalty.

## Should you buy Molson Coors stock?

If you are wondering how to invest your extra cash, Molson Coors stock is a good option. It has hit a 52-

week low recently and might be bottoming.

You can easily earn income for your TFSA or RRSP by investing your extra cash in dividend stocks like Molson Coors. Today, the dividend yield is 6% at the share price of around \$46.

Canadian investors should watch this stock for a technical basing pattern. On a chart, basing patterns look flat after a sustained downtrend. This will tell you that the stock has likely reached the bottom, and it is a good time to buy.

## Do you know about your CERB options?

The economy may be faltering, but Canadians still have the cash to save. Many Canadians are receiving extra cash from the Canada Revenue Agency in response to the health crisis.

Canadians can receive up to \$2,000 per month from the Canada Emergency Relief Benefit. Moreover, students can receive up to a \$5,000 Canada Student Service Grant. Meanwhile, parents can receive an extra \$300 from the Canada Child Benefit.

This money can go along way toward meeting your expenses. If you have any money or uninvested savings, now is a good time to put that money to work for you.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:TAP (Molson Coors Beverage Company)
2. TSX:TPX.B (Molson Coors Canada Inc.)

### PARTNER-FEEDS

1. Business Insider
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