



## 2 Top Stocks to Buy in August

### Description

If you want to increase your chances of making money in the stock market in August while protecting your portfolio from a potential market crash, **Loblaw** ([TSX:L](#)) and **Alimentation Couche-Tard** (TSX:ATD.B) are two great stocks to buy. While the **TSX** is still down 5% for the year, these two stocks are in the green.

### Loblaw

Loblaw is a great stock to own in your retirement portfolio, as you can buy and hold it for many years without worrying about your money. This is the kind of [stock that does well during a recession](#) and even more so during a pandemic when people are confined.

The context is favourable for the grocery sector for the next 18 months as work-from-home is likely to remain a strong trend and the recovery in the restaurant sector will be slow. Plus, food inflation should accelerate.

The popularity gains of private brands and low-cost brands are working in favour of Loblaw, which stands out in this segment. This popularity is expected to strengthen as consumers will become more cautious as government aid is gradually reduced.

While grocery e-commerce sales skyrocketed at Loblaw in the second quarter, profits were lower due to operating costs related to the pandemic.

Loblaw, which operates the Shoppers Drug Mart, Loblaw, and other banners in Canada, incurred \$210 million in pandemic-related costs during the second quarter ended June 13. Net income fell 40.9% to \$126 million. Overall, same-store sales increased by 10%.

Loblaw's investments in e-commerce are certainly paying off for the company, which reported a 280% increase in digital sales to \$895 million.

The Ontario-based retailer expects continued growth in its e-commerce business and is investing to

expand its capacity and improve its same-day service offering while improving the company's cost structure over time.

Loblaw stock has a negative beta of -0.09. When a stock has a negative beta, that means it's moving in the opposite direction of the market. Loblaw stock could thus protect your portfolio from a market crash.

## Alimentation Couche-Tard

Couche-Tard is the kind of stock you want to own in any context, but even more during the pandemic, as it is incredibly resilient during hard times. If you're looking for stocks to buy and hold, this is the perfect stock.

Like many companies, Couche-Tard saw a drop in traffic and fuel sales at its businesses around the world in March and April, as governments began to impose lockdown measures.

However, the historic drop in the price of crude oil has allowed the retail giant to increase its profits on its fuel sales, particularly in Europe and the United States, which boosted its net profit in the fourth quarter.

Couche-Tard's net profit practically doubled during the [fourth quarter](#) which ended on April 26, despite the pandemic and the lockdowns.

The Laval convenience store giant had a net income of US\$576.3 million, or US\$0.52 per share for its fourth quarter of 2020, compared to US\$289 million, or US\$0.26 per share in the corresponding quarter in 2019.

Couche-Tard's financial results for the year overall are also cause for celebration for executives and shareholders. Net income was US\$2.354 billion, compared to US\$1.834 billion in 2019, an increase of 28.3%.

Overall, Couche-Tard had an exceptional year, both financially and operationally. Its agile and decentralized business model, as well as its progress toward operational excellence has enabled the company to overcome the unprecedented challenges associated with the COVID-19 crisis and to emerge from it better than many other companies.

Couche-Tard is expected to submit an offer soon to purchase Speedway, one of the largest chains of convenience stores and gas stations in the United States. This highly strategic purchase could add 20% to Couche-Tard's earnings within three years thanks to synergies.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:L (Loblaw Companies Limited)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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