2 TSX Stocks Likely to Skyrocket Into the Stratosphere Once the Pandemic Ends

Description

With tech-weighted U.S. indices recently blasting off above their pre-pandemic highs, it seems as though the opportunity to buy stocks on the dip has come and gone. If you're not on the hunt for tech or momentum stocks, though, you'll find that stocks within many industries are still off considerably from their February peak level. And if you're looking to play a normalizing economy, it's these such names that could have the most upside as we inch closer towards an approved (and effective) vaccine by the day.

Many so-called "value" stocks are still a country mile away from their pre-pandemic highs. And once a vaccine breakthrough happens, here are two **TSX** stocks that I think could surge as they look to correct to the upside.

Bank of Montreal

Bank of Montreal (TSX:BMO)(NYSE:BMO) took the biggest beating of the Big Five amid the coronavirus crash thanks to its loan exposure to the hardest-hit areas of the economy. With a considerable amount of oil and gas (O&G) loans that all of a sudden looked sour, it's not a mystery as to why shares of BMO nearly lost half of their value from peak to trough.

There are still huge risks involved with any Canadian bank amid the pandemic. If this pandemic worsens, the banks, BMO in particular, could be left holding the bag should tonnes of small- and mid-sized firms begin to go into default.

If this pandemic were to end sooner rather than later, BMO's loan book would suddenly go from meagre to robust, and the stock could correct back to the $100 levels at what will seem like an instant. With shares currently trading at around book value, I'd say now is a great time to initiate a contrarian position if you're looking to play the advent of a vaccine that could spark the biggest growth-to-value rotation in history.

At the time of writing, BMO stock sports a well-covered 5.2% dividend yield, which is for investors to lock-in, even once shares bounce back from one of the worst crises in its history. BMO has seen its fair share of crises, and it's kept its nearly 200-year-old dividend intact through the worst of times. This crisis, while unprecedented, will not be the axe that slices the dividend, even if we're due for another round of COVID-19 shutdowns.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is an alternative asset manager that's crushed the TSX Index consistently over the past several years and will probably continue doing so over the next decade and beyond. Shares of the diversified firm are a must-buy whenever it dives, and the COVID-induced plunge, I think, is no exception.

The firm is run by some exceptional managers that are worth paying up for. While the pandemic may have blindsided the company, the recent dip in shares is nothing short of an opportunity to get a front row seat to some of the most compelling alternative assets out there. While the company's mall property portfolio may seem like a sore spot, the pressures facing the real estate industry are greatly exaggerated.

Brookfield has $77 billion in available liquidity and is in a spot not only to survive this crisis but take advantage of opportunities as they arise. Brookfield trades at 1.9 times book value, which is far too low given the calibre of business you're getting. So, why wait? Buy the dip in BAM now because I have a feeling it'll be a major mover once value becomes sexy again.

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