



## CERB Extensions Are Here! 2 TSX Stocks to Buy in October With an Extra \$200

### Description

The end of September also marked the end of the third quarter and the end of the Canada Emergency Response Benefit (CERB). The benefit lasted for seven months and helped millions of Canadians get back to work. Don't worry! The Justin Trudeau government has [brought CERB extensions](#) in the form of Canada Recovery Benefit (CRB) and Employment Insurance (EI). The government has increased the amount of the new benefits from \$400 to \$500 a week, bringing them on par with the CERB. You can use this extra \$100 cash a week to buy some good stocks.

### Two stocks to buy in October

October is the month of earnings, and companies that have had a good third quarter might see a rally ahead of their earnings. You might consider buying **Enbridge** (TSX:ENB([NYSE:ENB](#)))

### Enbridge stock

Enbridge stock is currently under short-term headwinds amid the falling oil prices. Oil and gas prices are very volatile. As they are commodities, their prices are governed by demand-and-supply forces and impacted by geopolitical tensions. But it is the oil and gas producers and energy suppliers that bear the heat.

It is not like Enbridge doesn't get affected, but the impact is minimal, because of its predictable business model. It is a pipeline company which spends millions of dollars building the pipeline infrastructure. Once the infrastructure is in place, the cash flows in, as oil and gas flow through its pipelines. This model makes its cash flows predictable and gives it ample time to adjust to any crisis.

As Enbridge is the largest pipeline operator in North America, it is performing better than its peers, even in the current crisis. The short-term headwinds have reduced its stock price by 23% and inflated its dividend yield above 8%. The one reason you should [buy the stock is for its dividends](#). The stock would rally towards the end of October ahead of its third-quarter earnings.

In the downturn, Enbridge's dividends yields will inflate, and when the oil demand returns, its stock will appreciate by as much as 30%. If you invest \$200 of your CERB extension in Enbridge, it will earn you \$16 in annual dividend and \$60 in capital appreciation.

## Cargojet stock

If Enbridge returns are not enough, you can also consider buying **Cargojet** ([TSX:CJT](#)), a stock that is in multi-year growth momentum. While many tech stocks claimed the title of virus stock, it was the airline that emerged as a key beneficiary of the pandemic, because of its time-sensitive air cargo deliveries.

While lower oil prices are pulling down Enbridge stock, they are driving Cargojet stock to new highs. And the recent extension of international travel restrictions till Halloween gave Cargojet investors more to cheer. With passenger planes grounded, all the cargo volumes, such as e-commerce orders, medical supplies, and business-to-business (B2B) goods, have shifted to Cargojet. The company won't release its third-quarter earnings before November, but the stock would have made a new peak

The holiday season sales, coupled with the e-commerce momentum, will keep Cargojet planes very busy. And lower oil prices will keep profit margins high. I won't be surprised if its third-quarter revenue growth surpasses its second-quarter revenue growth of 65%.

Moreover, if there is a second wave of the pandemic, Cargojet stock would surge, as it is declared an essential service. The stock has surged 84% year to date. It even recovered from the September sell-off faster than tech stocks, growing 19% from the September 8th dip. Jump on the stock rally as early as possible.

## Investor corner

The CERB extension will pump in more liquidity in the economy, giving way to another stock market rally. Grab your position before the trending stocks make new peaks. Invest in these stocks with your Tax-Free Savings Account to avoid a high tax bill at the end of the year.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
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### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:ENB (Enbridge Inc.)

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