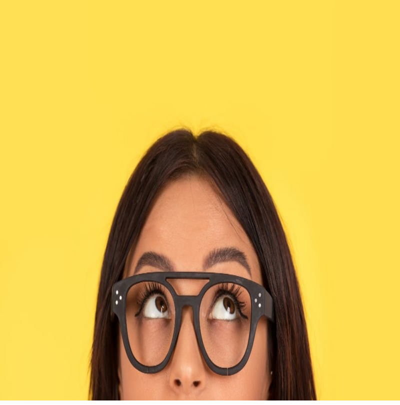

Buy These 2 Growth Stocks for a Safer 2020 Q4

Description

Investors could see upside in certain food stocks no matter which way the market swings this fall. By matching the safety of consumer staples with the reassurance of a dividend stock, investors can get a bit of safety with a slice of passive income.

Two key stocks for takeaway upside

Who doesn't love pizza? From foodies to investors, **Boston Pizza Royalties Income Fund** (TSX:BPF.UN) has proven a hit during the last three months of the pandemic, rising 30% in that time. And the good news is that this stock could continue to see growth whether the pandemic ends or not. In short, this is a rare name that could rally on a vaccine breakthrough, or outperform during a round of "second wave" lockdowns.

Trading at a deep discount, Boston Pizza matches value for money with growth potential. Its annual earnings growth could be even around the 200% mark. But how much upside potential are we talking about here? Share price growth potential could see Boston Pizza recovering from its 50% losses in the last 12 months. Until then, a 9% dividend yield should be satisfying enough.

We might be looking at more lockdowns, but the fact is that **Restaurant Brands** was able to operate throughout a summer characterized by somewhat relaxed social distancing rules. This means that a fairly decent summer quarter set of earnings could be on the way. If Restaurant Brands can beat expectations, investors might expect to see some upside in this name as we head deeper into the fourth quarter.

Why buy food stocks this fall?

Compared with other asset types, consumer staples are a low-risk way to play the markets. This is especially the case with a deeply divisive political climate about to explode right on our doorstep. We're talking about the U.S. election in November.

A starkly divided race has been making for decidedly choppy markets. For instance, bank stocks may recover on a Republican win, but their performance this year has shown them to be a treacherous asset type amid economic uncertainty.

Uncertainties over vaccine production remain, though, with messaging more than a little fuzzy ahead of the potential handover of Operation Warp Speed. This means that other defensive asset types are likely to see increased frothiness this fall, most notably healthcare picks.

Speculative plays for momentum are also far from straightforward right now. Legalization of cannabis south of the border could mean steep upside for certain T**SX** pot stocks. But knowing which stocks investors should keep in their portfolios is open to interpretation. One big concern is that homegrown names in the U.S. could prove to be too competitive for Canadian producers.

All of this means that few truly defensive plays remain all-weather picks for the low-risk investor looking to hide cash and grow wealth this fall. Gold could see a pullback, though the Bull Run is unlikely to be reversed due to this year's twin momentum-safety thesis in the precious metal. That leaves consumer staples as a strong play for a mix of upside and safety in this year's treacherous fourth quarter.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)

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