



New Bull Market: The 2 Best Stocks to Buy Right Now

Description

We're in the middle of one of the worst socio-economic crises in over a century. Still, the U.S. Fed is determined to do everything under their power to avoid the second coming of the Great Depression.

The world economy is in a fragile state right now. With a second wave of COVID-19 outbreaks on the horizon, the risk of a "double-dip" recession is real. Nobody knows if we're due for a V- or W-shaped recovery from this pandemic. Regardless, you should be a buyer of the bargains you view today, because, like it or not, new bull markets are born shortly after the times of intense investor pessimism.

If you're looking for longer-term upside, I'd recommend you buy the following two cyclical stocks that could face amplified upside on the back of the new bull market.

TFI International

Canadian transport firm **TFI International** ([TSX:TFII](#)) has kept on trucking amid this pandemic. Shares have soared 135% from its March lows, a time I recommended investors to buck up the truck on shares, while they were unfairly battered at the hands of a highly irrational Mr. Market.

Undoubtedly, trucking firms are going to need to get a tonne of goods flowing from point A to point B if this economy is going to recover from the worst economic disruption in decades. With upped volumes expected coming out of this pandemic, TFI is a winner that's poised to continue winning for many years to come.

With ample financial flexibility, TFI is also in a position to pull the trigger on further acquisitions. Unlike most other firms that conduct M&A for the sake of appeasing to short-term investors, TFI is all about creating value for long-term shareholders. TFI's management team is top notch and is ready for the economy's next big expansionary phase.

With a market cap south of \$6 billion, the company has ample room to run and a ridiculously low valuation that makes the name suitable for both growth and value investors. The stock trades at 3.1 times book value and 1.03 times sales, both of which are way too low given the calibre of predictable

growth you'll get from the name.

Badger Daylighting

With a mere \$1.35 billion market cap, **Badger Daylighting** (TSX:BAD) is another [lesser-known](#) mid-cap cyclical play that could soar to new heights, as the economy looks to recover from the COVID crisis.

For those unfamiliar with the name, Badger is an infrastructure play that provides non-destructive soil excavation services to clients, many of whom are in the oil and gas industry. The company took an initial hit from the COVID pandemic but is in a spot to make up for lost time, as infrastructure spending could increase drastically over the next three years.

Shares of Badger Daylighting currently trade at 3.95 times book value and 2.2 times sales, both of which are relatively modest given the double-digit revenue-growth potential. With a fleet of hydrovac-equipped trucks, Badger Daylighting has a way wider moat than most would give it credit for. So, if you're looking for a cheap stock to play an increase in infrastructure spending, Badger is one of the [better](#) horses to bet on.

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TICKERS GLOBAL

1. TSX:BDGI (Badger Infrastructure Solutions Ltd.)
2. TSX:TFII (TFI International)

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