



2 Stocks I'd Buy in the Next Market Crash

Description

Like it or not, the next market crash is coming. To be a [successful](#) long-term investor, you need to numb yourself to excessive amounts of [volatility](#) and embrace the vicious sell-offs that inevitably hit. As you may know, Mr. Market isn't always the best at pricing stocks accurately. That calls for corrections both to the downside and the upside. Had Mr. Market been as efficient as most academics believe him to be, we wouldn't be in the middle of one of the choppiest market environments in recent memory.

Indeed, the coronavirus pandemic has paved the way for wicked plunges, with the potential for massive corrections to the upside on the advent of a safe and working vaccine. With the markets at such a crossroads, investors should seek to be ready for any one of the wide range of outcomes. In short, your portfolio shouldn't depend on when or how the pandemic ends.

When you spread your bets across the wide range of potential outcomes, then any market crashes that come will be another opportunity to buy more shares at better prices, rather than an event that's detrimental to your long-term investment plan, or worse, one that could derail your retirement.

This piece will look at two stocks that I'll be buying if they get hit as a part of another broader market crash. Without further ado, consider **Alimentation Couche-Tard** (TSX:ATD.B) and **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)), two of my personal top holdings I'll be looking to buy on the next dip.

Alimentation Couche-Tard

Couche-Tard is a convenience store kingpin that should be applauded for its performance amid this pandemic. The company has demonstrated relative resilience amid lockdowns and will continue to do so should we be in for more over the next year and beyond.

It's not just the resilience of Couche's operating cash flows that has me excited, though. The valuation is severely depressed, likely because Couche's management team has been quiet on the M&A front amid this crisis despite having enough liquidity to back up the truck on an elephant-sized acquisition.

Couche's lost out on the opportunity to scoop up the Speedway chain of gas stations to its top peer 7-Eleven. Given the hefty price 7-Eleven paid, however, Couche didn't miss out on anything other than a chance to destroy shareholder value by running the risk of overpaying for the assets in a bidding war.

Couche's inactivity is a sign of management's devotion to only pulling the trigger on value-creative opportunities. While there's no telling when Couche will announce its rally-inducing deal, the stock is a must-buy before it has the chance to. Its balance sheet is remarkably strong and it's locked and loaded to pull the trigger on a major deal that could move the needle on the stagnant stock.

Restaurant Brands International

This horrific crisis has crippled the restaurant industry. Many restaurants aren't going to make it, but fast-food juggernaut Restaurant Brands, which is behind quick-serve staples Tim Hortons, Burger King, and Popeyes Louisiana Kitchen, will, with its deep pockets and overlooked progress on the mobile and delivery front amid this pandemic.

No, Restaurant Brands isn't at **McDonald's** level regarding drive-in, delivery, and mobile ordering. But the stock already reflects this. Given the progress that Restaurant Brands has been forced to make to alleviate the sales decay due to the pandemic, I'd say the firm is in a position to not only rise out of the pandemic in a position of strength but also in a spot to better weather another wave of government-mandated lockdowns.

Restaurant Brands's long-term fundamentals are still very much intact. And once this pandemic ends, the restaurant scene will be that much less crowded, boding well for QSR over the next five years out. For now, QSR will be under pressure, but I do think the firm is better prepared to weather further storms and believe shares are worth at least \$100.

CATEGORY

1. Coronavirus
2. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)

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