



2 Top Canadian Value Stocks Poised to Skyrocket in 2021

Description

A handful of safe and effective COVID-19 vaccines could pave the way for a strong [economic recovery](#) in late 2021. If the vaccine rollout goes smoother than expected, we could be looking at a drastic upside correction in some of the [hardest-hit reopening plays](#) sooner rather than later.

In this piece, we'll have a look at three Canadian value stocks that I believe are in a great spot to soar into year's end on the back of a (sustained) reopening. So, without further ado, consider fast-food juggernaut **Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) and underrated insurance firm **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)),

Restaurant Brands International

Restaurant Brands is the firm behind iconic fast-food chains Tim Hortons, Burger King, and Popeyes Louisiana Kitchen. The pandemic has weighed most heavily on the restaurant giant versus the likes of some of its tech-savvier peers in the space that were less affected by pandemic-induced dining room closures.

Even before the pandemic, Restaurant Brands had more than its fair share of challenges, whether we're talking sluggish comps at Tim Hortons or mediocre sales growth at Burger King. It would be foolish (lower-case "f") to discount the turnaround potential behind QSR's brands, though. The company is committed to modernizing its drive-thrus, and with activist investor Bill Ackman still as bullish as ever on the company, I'd say there couldn't be a worse time to give up on the name.

If all goes well with the vaccine rollout, QSR could have the most room to run once pandemic headwinds finally fade. And should Bill Ackman start to get active with his "passive" stake in Restaurant Brands, there's no telling how high the stock could fly, as the firm looks to unlock the full power behind each of its iconic chains.

For now, investors can enjoy collecting a bountiful, well-covered 3.4%-yielding dividend while they wait for the post-COVID world.

Manulife Financial

Manulife Financial arguably has one of the most compelling growth profiles of the Canadian life insurers. The company's Asian business contributes to nearly a third of Manulife's profits, and it's in a spot to grow at a solid double-digit rate on the other side of this pandemic.

With a booming Asian middle class, Manulife's insurance products and wealth management services are slated to be in high demand for years to come. And right now, investors may be discounting the firm's longer-term growth prospects from the region.

Undoubtedly, insurance products are marketed as must-haves by insurance providers, and they very well may be. But in the midst of difficult economic times, they tend to be viewed as "nice to haves" through the eyes of belt-tightening consumers itching to cut things off the budget.

As the world heals from the coronavirus recession, we're likely to witness a massive economic expansion, the likes of which we may not have seen since the roaring 1920s. There's been some concern that all the stimulus and excess central bank dovishness could cause the economy to overheat in its climb out of the coronavirus crisis. Such an overheated economy could bring forth rampant inflation, and interest rate hikes could be on the table far sooner than expected.

A roaring economy and a rising-rate environment are huge boons to Manulife's business. And if both are in the cards in a "roaring 2020s" type of environment, I wouldn't at all be surprised if the price of admission into Manulife stock skyrockets. The big insurers like Manulife have been up against headwinds and low rates for far too long. Once the tides finally turn in their favour, they could be in for a considerable upside re-valuation.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
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4. TSX:QSR (Restaurant Brands International Inc.)

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Author

joefrenette

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