Invest in Growth! U.S. Stimulus Package Can Supercharge Global Economic Recovery

Description

Contrary to what many people believe, there is not a lot of overlap between the U.S. and Canadian economies. And even though the stock markets of the two countries follow many of the same trends, the difference is evident there as well. Take the Buffett Indicator as an example. It has been flashing warning signs for the U.S. stock market, but the Canadian market is in the safe zone.

But that should not make Canadian investors completely complacent. The amount of exposure their investments have to the U.S. can dictate how well their portfolios perform. And some U.S. stock market trends impact Canadian stocks right away, like the tech sector scare of early September, or the current energy sector recovery.

There is a bright side to it as well. The U.S. stimulus package that has just been approved by Joe Biden is expected to supercharge the global economy, and Canada is among some of the countries that might benefit from it as well.

The stimulus package

The president of the United States has unveiled a US$1.9 trillion economic stimulus package. While the direct impact of the package would be felt by the U.S. citizens and local economy, the Organization for Economic Co-operation and Development (OECD) believes that Canada and Mexico will feel the impact of the positive “spillover” as well.

Even if it doesn’t supercharge the economy here as it might do across the border, it might do a lot to feed investor optimism, and optimistic investors might keep betting on the market and keep it from going stagnant. It also means that long-term growth bets might pay off if you choose the right company to tie your capital to.

One long-term bet

While not a "Buffett favourite," **Restaurants Brands International** (TSX:QSR)(NYSE:QSR) might be a decent long-term bet. The stock has had a relatively stagnant year ever since its recovery peak last June. Still, thanks to its underlying business of fast food, RBI might have the potential to thrive in a properly recovering economy.

Only one of its underlying brands, Popeyes, saw sales rising last year, but the other two brands, Burger King and Tim Hortons, still hold a dominant position in their respective markets. If RBI can help these two fast-food chains reclaim their former glory and connect with their target market, the company might start to grow at a powerful enough pace.

It finished 2020 on a relatively unhealthy quarter, but as restrictions lift, and people resume their everyday lives and work routines, the sales and revenues might rise accordingly.

Foolish takeaway

RBI, like many other Canadian businesses, has a strong U.S. presence. If the stimulus package boosts the U.S. economy, RBI investors might not just benefit from the spillover or optimism; they might see their holdings grow on fundamental merits as well. Burger King is among the five largest U.S. fast-food chains, and Popeyes is in the 20-largest ones. This kind of U.S. exposure might favour this dual-country investment.

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

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