



## Looking for Pandemic Reopening Plays? This 1 Canadian Stock Is a Buy Today

### Description

As a key player in the convenience store and gas station business, **Alimentation Couche-Tard** (TSX: ATD.B) was hit hard during the [pandemic](#). Driving demand plummeted, and the company's 14,000 stores across the US and Canada saw severely reduced foot traffic.

However, coming out of this pandemic, this company looks to be an [excellent reopening play](#). This retailer has often been considered an excellent growth stock. Accordingly, if demand rebounds and the economy improves, Couche-Tard could be well on its way to regaining this reputation.

Here's more on why I think there's lots of room for optimism with this stock today.

### Gasoline demand is recovering to the pre-pandemic levels

Statistics Canada reports that global gasoline demand is rising with an improved economic outlook. Pandemic-related restrictions are expected to be eased over time. Workplaces will continue to reopen, and commuters will get back to commuting, as the vaccine rollout accelerates. Subsequently, oil producers will take some time to resume full-fledged production. This comes after many producers shut-in production last year amid falling oil prices.

Predictions are that gasoline demand could continue to improve over time, providing a bullish headwind to retailers such as Couche-Tard. Indeed, this sets up Couche-Tard with a very nice tailwind right now. I think there's tonnes of room for capital appreciation over the medium-term.

The market can be slow to adjust for this growth, providing a unique buying opportunity with Couche-Tard stock right now.

### Couche-Tard growth by acquisition potential should not be discounted

The company's recent bid to acquire French grocery retailer Carrefour was met with significant

backlash from the market. Indeed, many investors seemed to balk at the \$20 billion price tag of the offer. Many investors seem to think Couche-Tard should stick to its core business of convenience and gas stations.

However, I think this deal highlights the company's intentions to lower its sensitivity to gasoline sales over time. Given the popularity of EVs and Hybrids, this company understands that a structural transformation is underway in its core business. Transportation will undergo a seismic transformation away from traditional fossil fuels. Accordingly, I really like the strategic foresight of Couche-Tard's management team.

Second, moving in a big way into a familiar sector, retail, should make the transition easier for the company. Convenience stores and retail stores aren't that different in their operations. This deal should have been looked at positively by the market, in my view. Thus, a contrarian stance on this stock today seems like a profitable approach.

## CATEGORY

1. Dividend Stocks
2. Investing

## POST TAG

1. dividend
2. dividend stock
3. growth
4. growth stocks
5. investing
6. market
7. Retail
8. Stocks

## TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

## Category

1. Dividend Stocks
2. Investing

## Tags

1. dividend
2. dividend stock
3. growth
4. growth stocks
5. investing
6. market
7. Retail
8. Stocks

## Date

2025/08/20

## Date Created

2021/03/29

## Author

chrismacdonald

default watermark

default watermark