



The Best TSX Stock to Buy for April 2021

Description

It's been a [rocky](#) first quarter for growth investors, but as the page turns to April 2021 and the start of a fresh new quarter, should more of the same be expected for high-growth TSX stocks? Or is the growth trade about to boom again after its [vicious correction](#)?

Inflation jitters have caused a sudden uptick in the 10-year U.S. Treasury note yield. One of the biggest stories of the first quarter was the bond market's tight grip on the stock market, with the "growthiest" plays taking on a brunt of the damage, while slow-to-no-growth stocks felt less of the shockwaves.

April 2021: The start of a fresh quarter

As we inch closer to the second half of 2021, inflation is bound to rear its ugly head. Probably not in April 2021, but possibly soon after.

Given most of today's investors haven't had to deal with problematic levels of inflation (think back to the 1970s), some may be inclined to hit the panic button, as bond yields continue their ascent to 2% or even 3%. Regardless, the long-term trajectory of rates remains lower, and investors shouldn't expect any near-term inflation scares or uptick in bond yields to be the start of a sustained longer-term trend.

As inflationistas ring the alarm bell over higher rates, take a step back and focus on what matters most: spotting top TSX stocks of wonderful businesses at discounts to their intrinsic value range.

Sure, higher bond yields are bad news for growth. But who's to say that bond yields can't pullback after the coming transitory spike in inflation comes and goes? So, stop watching the rates and start evaluating companies, because there's ample value out there on the **TSX Index**.

In this piece, we'll have a look at one of my favourite growth/value ideas for investors on the hunt for TSX stocks to buy in April 2021: **Alimentation Couche-Tard** (TSX:ATD.B).

Alimentation Couche-Tard: A TSX stock that reeks of growth

and value

Couche-Tard is a name that's at the crossroads between growth and value. It's also a rare large-cap consumer staple on the TSX, essentially making it an opportunity that's hiding in plain sight. The stock has been under considerable pressure ever since management shocked the world with its pursuit of French grocer Carrefour. The proposed deal fell through almost immediately, yet the stock has remained in the penalty box for months after.

Today, the Quebec-based convenience store giant is starting to pick up traction again on minimal news. I think the broader rotation back into value will help fuel a steep correction to the upside and would encourage investors to get back in the name before the value vanishes.

Couche is poised to double its profitability in five years, and with enough cash and credit to make a blockbuster, I'd get in now before the name starts making headlines once again. With proven managers who know the ins and outs of the M&A game (creating value via acquisitions and dispositions), I think investors need to get in the name while it's still depressed, because I don't think shares will stay at these lows for long.

Why is Couche-Tard a timely stock to buy in April 2021?

In the second quarter, I expect value will continue to outshine growth. Such a phenomenon should reward battered shares of Couche, as investors forgive and forget about the Carrefour ordeal that sent the name into a sudden correction.

In addition to such broader market forces, Couche stock looks to have formed a bullish technical pattern called the continuation diamond, which, if successful, could see Couche-Tard stock soar as high as \$59 by year's end, implying 45% in upside from today's levels.

At just 0.8 times sales, I'd say Couche stock has major upside and a decent margin of safety, making it one of my top picks for April 2021 and the rest of the year.

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