



2 Great Canadian Stocks That Could Skyrocket in Price

Description

There are plenty of great Canadian stocks that could stand to [skyrocket](#) to unfathomable heights if all goes well with the COVID-19 vaccine rollout. The insidious coronavirus has plagued the markets for far too long, and once it's conquered, I think some of the reopening plays could have amplified upside en route to normalcy.

In this piece, we'll have a look at two Canadian stocks that could [pop like a coiled spring](#). But be warned: each name faces considerable downside risks if the vaccine rollout is bumpier than expected or if COVID-19 variants of concern pull ahead of the vaccines. Right now, people are optimistic about a reopening, placing bets to play the Roaring '20s. With such an increased risk appetite, I think it could pay dividends by adopting a more defensive approach by considering things that could go wrong.

It's nice to be an optimist. But as an investor, it can be far more profitable to think and act like a contrarian. So, make sure you've got a balanced portfolio that's positioned to win, regardless of what exogenous event ends up panning out next.

Consider **Alimentation Couche-Tard** (TSX:ATD.B) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), two stocks that I believe are unsustainably undervalued, with room to run going into 2022 and beyond.

Shopify

It's a bad idea to bet against Shopify. Just when you think the Canadian e-commerce juggernaut is about to fall back to Earth, the stock manages to defy the laws of gravity. The latest sell-off in the name, I believe, is just another one of many buying opportunities for long-term thinkers. While Shopify's nosebleed valuation is less justified with pandemic tailwinds that are slated to end, I think investors should view such tailwinds as a growth accelerant, not some temporary boost.

Shopify stock has many opportunities to upsell its growing list of merchants. Given that Shopify's TAM (total addressable market) is vast, I also think Shopify still has more room to grow, as it continues to improve upon its platform. The latest tech-driven correction, driven by higher U.S. bond yields, may just be getting started. Regardless, Shopify ought to be nibbled at while it's still down because its brilliant

CEO always finds a way to reignite the excitement in Canada’s largest company.

Alimentation Couche-Tard

Couche-Tard is another great growth stock that’s rewarded investors who’ve bought on the dips over the years. The latest dip, I believe, is completely unwarranted. Essentially, shares of the convenience store kingpin corrected on news of an acquisition that fell through in an instant. Investors and analysts didn’t like or get Couche’s pursuit of Carrefour. The deal has been off the table for months, yet Couche stock has still yet to recover.

I think that’s a pricing blunder by Mr. Market and would encourage investors to accumulate shares before they warm up to Couche’s strategic pivot. Couche-Tard needs to buy a grocery supply chain. The sooner it does, the greater the long-term profitability prospects will be. Although over the short term, I suspect investors will accuse Couche of wandering outside its circle of competence.

If you’re not a fan of Couche’s potential pivot into supermarkets, look no further than **Amazon.com** and its Whole Foods acquisition. The deal was met with great praise. The same should have been the case when Couche tried to scoop up Carrefour.

In any case, I’d buy Couche now before it has a chance to correct to the upside.

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