



3 Top Canadian Stocks to Buy Before Summer

Description

Summer is on the way, which means that it is the perfect time for investors to make new additions to their portfolio. Spring cleaning is always good, however we often forget to do so with our portfolios.

For those looking to make some portfolio tweaks, here are three companies I'd consider checking out today.

Scotiabank

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)) has been one of my [top picks](#) in the banking sector for quite some time, mainly due to its strong international foothold. Indeed, this bank has a lot of exposure to emerging markets, which generally provide higher growth rates than developed markets. For those seeking a Canadian bank with geographical diversification, Scotiabank is a great option.

The company's grown its international presence via various acquisitions over the years. Scotiabank's strong position in Mexico, the Caribbean, and various South American countries is enticing for investors.

Currently, Scotiabank provides income investors with a handsome dividend yield of 4.6%.

Restaurant Brands

At the time of writing, **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)) offers investors a dividend yield of 3.2%. I mean, 3.2% is nice, but it's not necessarily something to write home about. That said, I think Restaurant Brands is a great long-term growth pick. The company's upside is in its growth potential abroad, but its stock is being priced as a rather slow-growth option today.

Restaurant Brands has traded sideways of late mainly due to a slowing of growth related to the pandemic. The company's top and bottom lines took a hit this past year, and investors appear to be concerned about whether or not this company can get back to its previous growth ways.

However, I see tremendous opportunity with Restaurant Brands stock right now. It's an easy reopening play, based on a reversion of the negative catalysts which have taken this stock lower. However, I also think the company's high-quality banners provide investors with a degree of safety that's hard to find today.

Restaurant Brands' banners include Burger King, Popeyes, Louisiana Kitchen and Tim Hortons. While Tim Horton's has underperformed, Popeye's and Burger King have really shone of late. I think over the long-term, another acquisition could be on the horizon. Such a move could provide a much-needed jolt to this stock that's in need of some sort of catalyst today.

Alimentation Couche-Tard

In addition to Scotiabank and Restaurant Brands, **Alimentation Couche-Tard** (TSX:ATD.B) has been one of my top picks for some time.

Why?

Well, Couche-Tard has proven itself as a top-notch consolidator of a fragmented industry. Other consolidation plays on the TSX trade at much higher valuation multiples than Couche-Tard. Accordingly, I see an easy value-based thesis for owning this stock (which trades at only 13-times earnings).

Additionally, Couche-Tard will continue to make some strategic moves to shift its focus away from its gas station business. The company's failed bid for French retailer **Carrefour** was a step in this direction. Gas station sales are likely to continue to decline as EV adoption picks up. I wouldn't be surprised to see Couche-Tard dip its toe in this space in the coming months, or pursue another deal for a major retailer.

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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:QSR (Restaurant Brands International Inc.)
3. TSX:ATD (Alimentation Couche-Tard Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:QSR (Restaurant Brands International Inc.)

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