Here Are the 2 Top Canadian Stocks to Buy in May and Go Away

**Description**

Have you heard the phrase "sell in May and go away?" That's the annoying "strategy" that we hear every year from the talking heads on TV. Like it or not, following such a strategy is timing the markets, which is never a good idea.



## Time to buy in May and go away?

Instead of selling in May and going away, I think investors should take a page out of Charlie Munger's playbook by looking to buy shares of undervalued companies and holding them for the long term. Buy in May and go away — perhaps for the next three to five years. With the Roaring '20s underway, I think such a buy-and-forget strategy is likely to vastly outperform timing your ins and outs of the market based on seasonality or anything of the sort.

If you're looking for the best of bargains on the Canadian market this May, you've come to the right place. Here are two top Canadian stocks that I'd look to stash in a TFSA and forget about for the next few years.

## Top Canadian stock #1: ONEX

**ONEX** (TSX:ONEX) has been one of my top picks through most of 2020. The private investment manager may be little known, but it has a proven track record of achieving above-average results over prolonged periods of time. The company, best known for scooping up WestJet Airlines, was heavily exposed to the COVID-19 impact. It's not just the airlines; numerous firms under the ONEX umbrella have had to deal with the pandemic-induced pressure.

The stock crumbled like a paper bag, falling from $86 and change to just north of the $40 mark — a painful decline in excess of 52%. With the stock nearly doubling up from its March 2020 bottom, you'd think that the value is gone, but it's not. Heck, ONEX stock, I believe, remains one of the most undervalued names out there, and it's well positioned to bounce back in 2021 and 2022.

Shares of ONEX trade at a near 20% discount to its book value, making the name one of the cheapest (and likely safest) reopening stocks you'll come across this spring. My takeaway? Buy shares this May, go away, and check in on how the name fares next year.

## Top Canadian stock #2: Alimentation Couche-Tard

**Alimentation Couche-Tard** (TSX:ATD.B) is another misunderstood company that could profoundly reward contrarians who are willing to roll up their sleeves and put in the homework. The stock is fresh off a brutal correction following the company's failed pursuit of Carrefour, which the French government swiftly but politely gave the red light over food security concerns.

Couche-Tard was sent to the penalty box for surprising shareholders with a strategic pivot. The intent to get into the grocery scene was not to the liking of investors. Grocery margins stink, and, to many, the deal made absolutely zero sense.

Sure, it's true that getting into grocery stores would take a toll on Couche's margins. And sure, such an unorthodox pivot would have come with higher integration risks. But I thought the move just made sense, at least from a longer-term perspective. Couche-Tard needs to buy a grocery supply chain to future-proof its business. Investors are anticipating a grocery acquisition sometime soon, and with such a move already baked into the share price, I think investors are getting a steal of a deal right here.

As management sheds more light on its long-term plans and goes deeper into how a grocery chain is the last big piece to the puzzle, I suspect the stock be on the ascent again, but until then, expect more volatility from the misunderstood convenience retailer.



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