3 Top TSX Reopening Plays With Tonnes of Upside Left

Description

The entire world is hopeful that coming out of this pandemic, the economy will spring back to action again. With vaccine rollouts accelerating, investors are particularly charmed by reopening plays today.

This makes sense.

However, not all reopening plays are equal. Some are better than others. In this regard, I think these three top TSX plays could be an amazing inclusion to any growth portfolio today.

Restaurant Brands International

I have said it before, and I will say it again: the quick-service restaurant space is inherently defensive.

We all need to eat, and fast food is among the cheapest options folks can go for. In times of economic turmoil, companies like **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) tend to outperform.

Now, this pandemic was different than the average recession. Restaurants were closed and we were forced to quarantine at home. That's not necessarily a good thing for sit-in restaurant locations.

Restaurant Brands's core banners have held up quite well over the past year, excluding Tim Hortons. Investors expect Tim Hortons's sales to spike once pandemic restrictions are fully lifted. I think this view is accurate and am bullish on Restaurant Brands's future earnings potential because of this.

The company has been making moves during the pandemic to help fix some of the operational problems that hampered the company prior to the pandemic. Should these strategies pan out, Restaurant Brands could take off over the long term.

BRP

Investors who are looking for quality economically sensitive plays to benefit from the recovering economy should consider adding **BRP** (TSX:DOO)(NASDAQ:DOO) to their watchlists.

As a highly cyclical option, this pure play on discretionary spending has the potential to outperform in a recovering market. Indeed, the rapid rise in BRP's share price of late is evidence the market believes this to be the case. This rise was certainly aided by a positive earnings surprise during the company's recent quarterly earnings release.

BRP guided projected revenue around $6 billion for this current fiscal year. That amounts to an expected growth rate of more than 33%.

That's not bad, indeed.

With optimism around BRP's long-term earnings capabilities in this environment, this is a higher-risk, higher-reward play. However, given the amount of investor interest in highly cyclical plays, this stock could have much more room to run from here.

Canopy Growth

Another higher-risk, higher-reward play on this list is **Canopy Growth** (TSX:WEED)(NYSE:CGC).

The cannabis sector is one that could see a boost from the pandemic ending. As more government retail stores open, and shoppers looking for the physical buying experience are able to do so, sales could take off once again.

Additionally, the legalization potential in the U.S. cannabis industry could regain momentum post-pandemic. The pandemic has been priority number one for the Biden administration. Accordingly, little time has been spent on other initiatives that are further down the list. If the pandemic is wrapped up by year's end, investors have hope that legalization could take hold perhaps next year. Such a catalyst would be huge for large players like Canopy looking to expand south of the border.

Legalization or not, Canopy is moving in the right direction in terms of its value-added products. The company's line of CBD beverages saw revenue growth of 25% last quarter. Additionally, the company's market share grew in relation to its peers.

These growth trends could be enhanced by a full economic reopening. Time will tell what the timeline of such a reopening will be. However, Canopy looks well positioned today regardless of what happens on this front.

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1. NASDAQ:CGC (Canopy Growth)
2. NASDAQ:DOOO (BRP Inc.)
3. NYSE:QSR (Restaurant Brands International Inc.)
4. TSX:DOO (BRP Inc.)
5. TSX:QSR (Restaurant Brands International Inc.)
6. TSX:WEED (Canopy Growth)

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