



3 Top TSX Reopening Plays to Buy Right Now

Description

The pandemic will end. And so many of us are awaiting the day we're living our lives in a normal fashion — or at least, with minimal restrictions.

For those optimists out there looking past this pandemic, here are three great reopening picks. These companies stand to benefit the most from an economic reopening. And they're among the stocks with the best upside in this existing environment.

So, let's get to it.

Alimentation Couche-Tard

Have you filled up the gas tank lately? Investors in **Alimentation Couche-Tard** (TSX:ATD.B) have noticed that people haven't done so as much as before the pandemic.

Indeed, Couche-Tard's positioning as one of the [largest gas station and convenience store chains](#) globally hasn't worked in its favour during this pandemic. Sales are down, as to be expected. And the growth thesis with this stock has been put on hold somewhat of late. This growth-by-acquisition play hasn't been making deals as fast as investors have expected. A relative lack of deal flow is something that has hampered this stock for some time.

That said, I think Couche-Tard is well positioned in this environment. Given the state of the market, I think the company could announce some deals in short order. This sector is on sale, and I'm sure the company's management team sees this.

If more deals are announced on the horizon, Couche-Tard could really take off. Regardless, it's a dirt-cheap stock right now, trading at less than 15-times earnings. For a company of this quality, this reopening play is among the most enticing on the market right now.

Air Canada

Those looking to fly to their favourite vacation hotspot may get their wish soon. Indeed, **Air Canada** ([TSX:AC](#)) investors are hoping so.

Canada's largest airline has seen passenger volumes absolutely plummet during the pandemic. However, for those betting on a resurgence in travel demand, this is a hot stock right now.

Air Canada continues to trade at a substantial discount to pre-pandemic levels. For investors who think this airline can once again get back to its former glory, this discount is worth checking out.

Air Canada stock has risen on expectations of strong growth in the coming quarters. So, perhaps some of this sentiment is already priced in today. However, there's a strong case to be made that Air Canada's positioning couldn't be better right now. The airline has the liquidity to make it through this pandemic, courtesy of the federal government's \$5.9 billion bailout. Additionally, pent-up demand should make for solid medium-term results.

Restaurant Brands

Perhaps a less-obvious pandemic reopening play is **Restaurant Brands** ([TSX:QSR](#))([NYSE:QSR](#)). This fast-food purveyor has been hit harder than I expected as a result of the pandemic.

In-restaurant dining restrictions have hit chains with a lower proportion of drive-thru locations. The company's Tim Hortons banner has therefore suffered to a greater degree than many industry peers.

However, if things turn around as many investors expect, Restaurant Brands is well positioned for the long haul. This company's portfolio of banners is world-class. And this company remains a strong growth play in Asia.

For those with a long-term investing time horizon, I'd recommend considering Restaurant Brands at these levels. It's cheap relative to its long-term growth trajectory. In today's market, that's hard to find.

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3. TSX:ATD (Alimentation Couche-Tard Inc.)
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