



## 2 Stocks to Buy on the TSX in June 2021

### Description

The TSX is heading into June 2021 with [considerable strength](#), but don't think that there is a lack of cheap stocks to buy. The **TSX Index** has largely been propelled by stronger commodity prices and an improving outlook for the financials.

Most other names, including some of the top reopening plays, aren't as high as they could be, given the great reopening and "Roaring '20s" environment that's just up ahead. Some such stocks are still off considerably from their pre-pandemic highs.

### Cheap TSX reopening stocks that could surge in June 2021

With more than half of Canadians getting their first vaccine jabs, I'd say now is a [fantastic](#) time to invest in some of the less-loved, mall-based reopening plays, as the nation finally lifts restrictions after its worst (and probably last) wave of COVID-19.

### Aritzia

Of all the mall-based retailers that have the most to win once everything reopens and COVID-19 restrictions are finally lifted for good, it's **Aritzia** ([TSX:ATZ](#)) is at the top of the list.

The trendy and fashionable women's clothing retailer, which had essentially perfected omnichannel retail, seemed almost unstoppable back in 2019, as its expansion into the U.S. market showed tremendous promise. Then came COVID lockdowns, which shuttered brick-and-mortar stores, forcing many mall-based shops to go online or run the risk of going under. Aritzia's momentum slowed down. But its e-commerce business was already booming before lockdowns hit.

Aritzia's profound digital strength just grew that much stronger. Aritzia was able to come soaring back to all-time highs ahead of the third wave, thanks in part to the relentless digital efforts put in well before the pandemic struck. As malls open, expect Aritzia's incredible brick-and-mortar stores to help do some of the heavy lifting.

Aritzia's physical stores draw upon the "experiential factor" in a big way. As people look to update their wardrobes after around a year and a half of working from home, I'd look for the growthy retailer to deliver a surprise to the upside. There's a lot of excess savings out there, just waiting to be spent on discretionary goods for the post-pandemic world. As the company takes its U.S. expansion to the next level, there's really no telling how high Aritzia will be able to fly.

## MTY Food Group

Speaking of malls, food court firm **MTY Food Group** ([TSX:MTY](#)) has a lot to gain once COVID restrictions are lifted, and the mall floodgates are finally opened. MTY is a firm behind a number of well-known quick-serve restaurants located in your local mall's food court. I'd pounded the table on MTY stock after it shed over 70% of its value during the coronavirus crash. As it turned out, I was right on the money. MTY surged over 250% right back to 2020 highs.

Undoubtedly, a reopening is pretty much baked with MTY stock at \$61 and change. That said, I think the name still has plenty of upside once MTY can finally deliver numbers that aren't so weighted by pandemic headwinds.

I think the cheap stock's current valuation suggests mall traffic will return to normalized conditions in late 2021 or early 2022. What I don't think is reflected is the pent-up demand for hanging out. Malls are the ultimate hang-out destination to catch up with friends. And once restrictions are lifted, I believe malls will face a flood of consumers and, with that, a packed food court and tremendous year-over-year sales growth numbers for MTY.

Could MTY be in for greater numbers than it had in 2019? I think it's in the realm of possibility. In any case, investors should look to punch their ticket into the name before those favourable year-over-year comparisons can really give MTY a lift.

### CATEGORY

1. Investing

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1. TSX:ATZ (Aritzia Inc.)
2. TSX:MTY (MTY Food Group)

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