



Why June Will Be a Good Month for These 2 Top TSX Stocks

Description

Many investors are aware of the saying “sell in May and go away.” Well, for those so inclined, June is now knocking on the door. Those looking to buy may be seeking companies with high growth prospects coming out of this pandemic.

Accordingly, these two [top picks](#) ought to get investors excited as we head toward summer. Let’s dive into why these two companies ought to be on investors’ radar right now.

Alimentation Couche-Tard

The pandemic hasn’t been kind to many businesses, and **Alimentation Couche-Tard** (TSX:ATD.B) is certainly no different. Unfortunately, pandemic-related restrictions have resulted in a substantial decline in gas station and convenience store revenues.

This makes sense. After all, we’re not commuting or getting out as much as we once were.

However, with the pandemic slowly coming to an end, and vaccination rates increasing, companies like Couche-Tard make for intriguing reopening plays right now. The company’s organic growth should pick up over time.

Additionally, from a growth-by-acquisition standpoint, Couche-Tard has been relatively quiet of late. This growth gem hasn’t done many deals in the recent past. It’s seeing less opportunity to make big splashes compared to before. While many investors may view this lack of deal flow as a negative, I think the company’s prudent approach to acquisitions ought to be viewed as a positive. For those who believe in the company’s management team, now’s the time to consider this stock.

Why?

Well, Couche-Tard is a growth stock trading at a beaten-up valuation. Investors are able to pick up shares of Couche-Tard at a price-earnings ratio of 15. That's dirt cheap, relative to the quality of this cash flow grower right now.

Air Canada

Another great reopening play right now has to be **Air Canada** ([TSX:AC](#)).

The top Canadian airline has similarly been devastated by the pandemic-related travel restrictions that continue to be imposed in Canada. However, recent news that border openings are being discussed should boost this stock into June and beyond.

Most investors are aware of the incredible amount of pent-up demand in the market right now. When Canadians are allowed to travel again, Air Canada's cash flows are set to take off. With balance sheet certainty as a result of the recent government bailout supporting the company's books, now may be the time to consider this high flyer at discounted prices.

Over the past year, Air Canada has done a pretty good job of stabilizing its balance sheet as best it could. The company's management team has imposed stringent cost-cutting strategies and has boosted alternative lines of business like air cargo in the meantime. With passenger volumes set to recover, investors may only be feeling the pain for a few more quarters.

Accordingly, for those who believe the worst is over for Air Canada, and the airline will be able to get back to its former growth ways, the company's current share price certainly looks attractive.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. air canada
2. dividend
3. dividend stock
4. growth
5. growth stocks
6. investing
7. market
8. Retail
9. Stocks

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:ATD (Alimentation Couche-Tard Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Tags

1. air canada
2. dividend
3. dividend stock
4. growth
5. growth stocks
6. investing
7. market
8. Retail
9. Stocks

Date

2025/06/30

Date Created

2021/05/31

Author

chrismacdonald

default watermark

default watermark