



4 of the Best Canadian Stocks to Buy Today

Description

The Canadian vaccine rollout is picking up, and that could pave the way for one of the most [normal summers](#) since 2019. While there are still prominent risks that could derail the reopening, I'd argue that the upside outweighs the downside for long-term investors willing to buy on hold the best Canadian stocks through any short-lived bouts of volatility.

The best Canadian stocks for your buck

Without further ado, consider the following TSX [top picks](#), which, by no coincidence, are all reopening or reflation plays.

Manulife Financial

Manulife Financial ([TSX:MFC](#))([NYSE:MFC](#)) is a wonderful Canadian insurer with a growthy Asian business. Despite staging a full recovery from the 2020 stock market crash before pulling back modestly, I still think the name is well equipped to soar into what could be a very normal second half of 2021.

Shares of Manulife trade at just 9.3 times trailing earnings. Given the improving macro backdrop and the possibility of higher rates over the next year, the depressed valuation, I believe, makes absolutely no sense. Could Mr. Market be making a pricing blunder with the multinational insurance giant? I'd argue he is, and investors should take advantage of the 4.5% dividend yield while it's hot.

In its latest quarter, the company saw decent earnings growth across the board. As the world heals from COVID-19, expect Asia, which contributes nearly a third of profits, to do some heavier lifting.

IA Financial

IA Financial ([TSX:IAG](#)) is another Canadian insurer that's a compelling option, as the Canadian

economy rises hand in hand with interest rates. The lesser-known insurer also has an impressive wealth management business, which has enjoyed a good amount of momentum over the past few years. Like Manulife, IA stock is dirt-cheap with a single-digit price-to-earnings (P/E) multiple of 9.9 at the time of writing.

The dividend (currently yielding 2.9%) is less bountiful than its peers in the Canadian financial scene. But what the company lacks in the size of its yield it makes up for in the safety of its payout and prudence of management. While IA isn't the fastest-growing insurer, it looks to be one of the best positioned to weather the next economic downturn.

MTY Food Group

MTY Food Group ([TSX:MTY](#)) is a relatively unknown mid-cap play in the Canadian restaurant scene. It's better known for being the firm behind food court brands like Taco Time. When shopping malls shuttered last year, MTY took an uppercut right to the chin.

With restrictions lifting and herd immunity in sight, the worst looks to be over with. And that's a major reason why the stock has already fully recovered from its 2020 plunge. Despite the impressive past-year run, I still think there's much more upside. Not only do I think the firm will face 2019 levels of business going into the summer, but given the potential for pent-up demand, I think MTY could overshoot and clock in a quarter for the record books, making it one of the best Canadian stocks to buy right now.

Alimentation Couche-Tard

Last but not least, we have convenience retailer **Alimentation Couche-Tard** (TSX:ATD.B), which is due to see fuel sales recover by a considerable margin once people get back on the road for non-essential travel. With higher demand for fuel will come greater demand for in-store merchandise. Couche-Tard has done a magnificent job of growing organically over the years, beckoning in those filling up their tanks with more compelling higher-margin merchandise.

Come summer, I suspect Couche-Tard will be at a new all-time high, as it makes the most of the reopening. Moreover, with \$1 billion in green bonds issued, Couche is ready to capitalize on the electric vehicle trend in a big way.

Over the next few years, the company is likely to roll out charging stations while continuing to improve upon the convenience factor, whether it be through enhanced fresh food offerings or having more convenience-store locations adjacent to **Fire & Flower** marijuana stores, I think investors are making a mistake by sleeping on Couche-Tard stock while it's trading at just 15.2 times earnings.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:IAG (iA Financial Corporation Inc.)

3. TSX:MFC (Manulife Financial Corporation)
4. TSX:MTY (MTY Food Group)

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