3 Stocks That Could Triple When Lockdowns Are Over

Description

Canadians can expect better days ahead. As the economy shifts into higher gear, economists at the **Royal Bank of Canada** predict the economy to recover from pandemic-related losses in the second half of the year. On the other hand, the stock market keeps posting record highs of late.

Rising vaccination rates, more job listings, higher household savings, and sustained government support for displaced workers should be the driving forces. Meanwhile, many businesses hope the reopening could come soon.

Another positive development is the strengthening Canadian dollar that should bring down prices of imported goods. If you plan to invest today, pick companies that should benefit in the post-pandemic recovery. Their stock prices could triple once the lockdowns are over.

Return to the big screen

Top on the list is the premier operator of movie theatres and location-based entertainment (LBE) venues. **Cineplex's** (TSX:CGX) operations virtually stopped when coronavirus struck. Now, more moviegoers could watch films on the big screen again. Some theatres opened weeks ago, while Cinema Cineflex Forum's new VIP formally opened on June 18, 2021.

Despite the massive business disruption, the stock is among TSX's top performers in 2021. At $15.99 per share, investors enjoy a 72% gain. In late February 2020, the price was $33.81. If operations return to normal, Cineplex could soar tremendously. The $1.01 billion entertainment and media company can likewise minimize or arrest the cash burn.

Return to growth

The restaurant industry was also a COVID-19 casualty. Fast-food franchisor **Restaurant Brands International** (TSX:QSR)(NYSE:QSR) saw foot traffic in Burger King, Tim Hortons, and Popeyes dissipate due to store shutdowns. The restaurant stock went in a tailspin, dropping to as low as $39.24

on March 18, 2021.

Many thought the chances of recovery were dim. Surprisingly, RBI made a resounding comeback and closed at $77.19 on year end or 99% above its COVID low. The saving grace was Popeyes's chicken sandwich. It became the biggest hit during the off-premises environment.

The earnings results in Q1 2021 (quarter ended March 31, 2021) signal the return to growth, according to RBI's president and CEO, Jose E. Cil. Management reported a 3% and 13% increase in total revenues and adjusted net income versus Q1 2020.

Likewise, system-wide sales surpassed Q1 2019, while the net restaurant growth during the quarter nearly matched RBI's best-ever Q1 performance in 2018. If you invest today, the share price is $82.30. The $25.26 billion company also pays a decent 3.11% dividend.

Business synergy

ARC Resources (TSX:ARX) should be on your shopping list this month. Besides the 2.44% dividend yield, market analysts see a potential upside of 63% from $9.33 to $15.25). The $6.75 billion producer of crude oil, natural gas, and natural gas liquids (NGLs) benefits from rising crude prices. Its trailing one-year price return is 101.95%, while the year-to-date gain is 56.71%.

The highlight in Q1 2021 was the merger deal with Seven Generations Energy. After the transaction's completion in April 2021, ARC Resources is now the largest condensate producer, third-largest natural gas producer, and sixth-largest upstream energy company in the country. The successful integration of the two companies should result in a more resilient, profitable, and efficient business.

Encouraging outlook

The Conference Board of Canada forecasts a 6.1% increase in the real gross domestic product in 2021 and another 3.5% increase in 2022. Meanwhile, the stock market should attract more investors as the rally continues.

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cliew