



2 TSX Stocks for the 2nd Half of 2021

Description

The second half of 2021 could have the potential to be more volatile. But for stock pickers, that's ideal, as we can take a raincheck on the frothy names for the unloved value plays that are better positioned to hold their own in corrections or head higher as the broader indices stall.

In this piece, we'll have a look at two [interesting](#) TSX stocks that may be worth nibbling at this market crossroads.

Cineplex

Cineplex ([TSX:CGX](#)) is a Canadian [icon](#) that needs no introduction. The theatre giant has been under considerable pressure for years now, but with Canada turning a corner amid the pandemic, the name looks like one of the better reopening plays in my book. Why? The company is a play on a smooth domestic reopening, with less reliance on the worldwide elimination of COVID-19.

Here in Canada, vaccination efforts are going quite well. And there's a real chance that a major fourth wave could be avoided, as the economy reopens for the summer season. Right now, the movie slate is dry, but it's going to pick up in a big way over the coming months, with the new James Bond film *No Time to Die* and a slew of other films that have been delayed far too many times.

Undoubtedly, video streaming is perceived as a threat that will outlast the pandemic. Still, I think theatres are here to stay. People are growing sick of streaming from home, and given the option, I'd argue that most would opt to head to the local Cineplex than pay up for a video-on-demand release. There really is no replacing enjoying a blockbuster on the big screen in the company of friends. As restrictions lift and new movies release, I'd keep a close watch on Cineplex stock.

Pet Valu Holdings

Pet Valu Holdings ([TSX:PET](#)) is a newcomer to the TSX scene after landing in late June. The Markham-based pet food company is a one-stop shop for pet supplies in addition to various services,

including grooming and adoption.

Personally, I'm a big fan of Pet Valu and think it stacks up well against the competition, including the digital retailer pure plays like **Chewy**. Pet Valu is also the company behind Tisol and Bosley's, two banners you may be more familiar with depending on your location.

Although the pet retail space is growing crowded, I must say I'm a fan of Pet Valu stock as a Canadian way to play the "humanization of pets" secular theme that could continue to pay dividends through the "Roaring 2020s." People treat pets like family these days. As such, they'd be more willing to open up their wallets on higher-priced, higher-margin goods. Such a trend is likely to be the tide that lifts all boats in the pet space.

Today, shares of Pet Valu trade at \$26 and change, which is well higher than the \$20 initial offering level. Moving forward, the firm is keen on trimming away its debt load. While I am a fan of the long-term prospects, I'd much rather wait for shares to retreat to the low-\$20 range before initiating a position. If you're keen, I'm certainly not strongly against buying today. Just be ready to dollar-cost-average your way into a full position, because these new shares could cool off after a mildly hot IPO.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:PET (Pet Valu Holdings Ltd.)

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