



## The 2 Best Canadian Stocks to Buy This Week on Delta Variant Fears

### Description

It's been a long time since Canadian stocks have endured this much volatility. Indeed, it's been a pretty tame summer, with minimal volumes and steady appreciation. With September looming, it certainly seems like investors are preparing for what could be a drastic pick-up in volumes and potentially a bit of profit-taking after an incredible first half of the year. With U.S. retail numbers coming short of expectations, the boom in spending could be about to take a bit of a breather. At the same time, Delta variant cases could show signs of peaking over the coming weeks, which could bode well for some of the Delta-hit reopening plays that have seen their recoveries stall out.

In any case, investors should stay invested and be ready for the great return of volatility. In this piece, we'll have a look at two of the best Canadian stocks that I'd either buy or add to a watchlist this week amid recent turbulence. So, correction or not, get ready to do some buying if you've got some cash on hand. And if not, make a list and make sure you check it twice if we do enter that correction, which we've gone so long without!

### Cineplex stock: A top pick for the young and fearless to buy

For venturesome, risk-taking, young investors, **Cineplex** ([TSX:CGX](#)) seems nothing short of enticing at current levels. It's one of the more aggressive reopening plays. And amid Delta jitters, the stock has seen its recovery come to a painful and grinding halt. The stock plunged 5% so far this week, bringing shares down 20% from their 52-week highs just north of the \$16 mark. Undoubtedly, there's a chance of lockdowns in Canada amid Delta. But once Delta finally does peak, I think Cineplex will be right back to where it left off at the start of summer. Given Canada's applaud-worthy vaccination efforts, the domestic reopening plays are buys on this recent bout of Delta weakness.

Sure, vaccinations haven't been perfect. But Canada is still one of the world's leaders in terms of percent of the population who've received at least one dose. With boosters on the way, and more people likely to get the jab going into the fall season, things could get far better, and Delta fears may prove to be exaggerated at this juncture.

Cineplex no longer pays a dividend, but it has major room to bounce back, as the movie slate heats up with the release of much-watch blockbusters, like the latest *James Bond*. Add the new CineClub subscription into the equation, and I really like the name right here, right now.

## Restaurant Brands International: A dirt-cheap Canadian stock to watch

**Restaurant Brands International** ([TSX:QSR](#))([NYSE:QSR](#)) is the type of reopening play that will do well regardless of when Delta peaks or if other variants cause lockdowns over the next 18 months. Not only does the company have some of the most cherished fast-food brands in the world, but it has a wonderful management team that has been investing heavily in sprucing up existing restaurants. Burger King got a logo redesign, and many of its stores are being updated for the modern era. Such efforts, I believe, [are discounted](#), allowing contrarians to grab shares of the 3.3% yielder.

The valuation seems frothy, but it does the stock no justice. Why? The perfect storm is coming. Broader economic reopenings and company-specific sales growth initiatives could strike at the same time. And with that, a quarter to remember and a potential correction to the upside in one of the least-loved names in the quick-serve restaurant space.

Investment legend Bill Ackman owns shares for a reason, and it's not just because Whoppers are tasty. It's a Dividend King in the making, and it could [gush](#) with free cash flow once COVID-19 is finally (mostly) eliminated.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:CGX (Cineplex Inc.)
3. TSX:QSR (Restaurant Brands International Inc.)

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