



Canadian Stocks: Where to Invest \$2,000 Right Now

Description

While the market has reached new highs again lately, there are still plenty of high-potential opportunities for investors to find today. As inflation continues to soar and the economy continues to recover, several Canadian stocks present the potential for significant returns.

The key is to look for businesses that you're happy to own long-term but also have catalysts for a rally in the short run. This way, you not only gain exposure to a high-quality Canadian stock, but you also use your cash efficiently and immediately see your investment growing in value.

So if you have some cash to invest today, here are two of the best Canadian stocks to buy right now.

A top reopening stock

The economy continues to progress, and we are approaching a level of normalcy not seen since before the pandemic. Restrictions are slowly being lifted, meaning the last of the businesses impacted by the pandemic can finally see the light at the end of the tunnel.

So if you have some cash to invest, now looks like one of the best times to buy **Cineplex** ([TSX:CGX](#)). Of course, I wouldn't expect a full recovery right away, and while the situation has generally looked promising across Canada, there is still a risk of more shutdowns.

Nevertheless, with much of the population vaccinated and restrictions continuing to be lifted, Cineplex, which is trading at just 40% of where it was before the pandemic, looks like it could finally be on the verge of its recovery. Last week [I mentioned](#) that more than half of its theatres can operate at full capacity, and that should only continue to improve.

At this point, it's impossible to tell how well Cineplex's stock is doing with its recovery, though. We still have to wait until [November 11](#), to get a look at its third-quarter numbers. In the second quarter, the Canadian stock posted significant sequential growth in sales from the first quarter. However, at \$57 million, it was just 13% of what it was doing before the pandemic.

Going forward, though, analysts expect to start seeing a steep recovery. And with the stock trading at just a forward enterprise value to sales ratio of 2.0 times, it looks like it has at least 25% upside, as its historical average is much closer to 2.5 times.

Therefore, if you're looking to find a high-potential recovery stock today, Cineplex is one of the top opportunities for Canadian investors.

A top Canadian restaurant stock

In addition to Cineplex, another high-quality opportunity, especially for [dividend investors](#), is **Boston Pizza Royalties** ([TSX:BPF.UN](#)). Boston Pizza is one of the most popular casual dining chains in Canada. So naturally, it continues to feel the effects of the pandemic.

However, as we continue to progress with our reopening and restrictions are slowly being lifted, Boston Pizza offers investors a tonne of potential. Not only is there the opportunity to see its unit price rise, but its dividend, which offers a significant yield of 6.9%, is also paying out just 74% of what it was before the pandemic. So there is an opportunity for more dividend increases from the Canadian stock too.

Right now, the most recent numbers we have for Boston Pizza, just like Cineplex is the second quarter, which ended in June. At that point, which was being heavily impacted by the third wave, the fund reported sales that were only about 60% of what it would have done before the pandemic. Similarly, the dividend was paying out just 57% of what it was before the pandemic.

So while we don't have the numbers yet for Boston Pizza, the news of its 30% dividend hike earlier this month is promising. It shows that not only did the fund likely have an excellent recovery this summer but also that management sees more growth coming in the next few quarters.

So if you have cash today and you're looking for a Canadian stock to buy, Boston Pizza pays an incredible dividend and looks like it can continue to recover significantly over the next few quarters.

CATEGORY

1. Investing
2. Stocks for Beginners

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1. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
2. TSX:CGX (Cineplex Inc.)

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