2 TSX Stocks to Buy After Friday's Market Drop

Description

The Omicron variant of COVID-19 seems quite scary, with some people fearing that lockdowns and further economic disruptions could derail the recovery heading into 2022. Undoubtedly, none of us wanted the pandemic to drag into 2022. And at this juncture, a move into endemic seems further out of reach. Still, one must not discount all the efforts to combat the insidious coronavirus, which continues to mutate uncontrollably.

But the more than 2% drop on Black Friday in relation to the Omicron variant, I believe, was overblown. There's still ample liquidity in the system. And with rates on the 10-year note pulling back unexpectedly, jitters over the coming rate hikes may have also proven to be overdone. Whether Omicron reduces the number of rate hikes over the next 18 months is anyone's guess. Regardless, the 2% dip seems like a great opportunity to put any excess cash to work, as inflation continues to run hot.

After such a vicious single-day decline, I wouldn't look to jump into the deep end, with travel and leisure stocks, which may deserve to take a hit, with a new variant that could bring forth lockdowns. Rather, I'd look to good, old-fashioned value stocks that are well-positioned to hold up if we're bound for a repeat of 2020, a scenario that seems unlikely.

Consider deep-value stocks like the **National Bank of Canada** (TSX:NA) and **Alimentation Couche-Tard** (TSX:ATD.B), two companies that have already proven their resilience through the worst of this COVID crisis. Even if lockdowns loom, both companies, I believe, did not deserve to sell-off on a Black Friday, which, I believe, was fear-driven, opening up opportunities for wise investors who are able to capitalize on the market's moments of severe inefficiency.

National Bank of Canada

National Bank of Canada is just one of many TSX stocks that crumbled nearly 2% on Friday over the Omicron sell-off. Indeed, further COVID-induced damage to the economy will hit the banks, butNational Bank is one of the Canadian banks that did extraordinarildy well during the worst of 2020.Undoubtedly, CEO Louis Vachon is an incredible boss, and the Big Bank's number six player is likelyto continue demonstrating its worth, regardless of the circumstances.

In essence, the bank is poised to continue swimming forward, even if the tides turn against it again. The 2.8% dividend yield is bountiful, safe, and ready to grow again. Although National Bank is smaller with a $35 billion market cap than its peers, it's no less powerful. In facst, it has room to run, as it expands further into lightly penetrated provinces while bringing on disruption, with commission-free trades and all the sort.

Alimentation Couche-Tard

Couche-Tard is a convenience store giant that's weathered the COVID storm quite well. While fuel sales could fall if lockdowns loom again, the company remains well-positioned to thrive via other means. C-store deliveries via food delivery apps are an intriguing driver over the long haul, as is the firm's ability to attract consumers who would rather not shop in a more crowded grocery store.

Most importantly, Couche-Tard can take advantage of peers who could fall under considerable pressure due to further lockdowns. With enough dry powder to make a huge deal, Couche may very well walk away from the next recession with a bargain in its hands, a huge positive for long-term investors.

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