



Omicron Variant: 1 TSX Stock to Buy if You Fear COVID Lockdowns

Description

Volatility is back, with the Omicron variant of COVID now [troubling](#) broader markets, sending them down considerably last Friday. As I've warned in numerous prior pieces, the pandemic is not yet over, even though we've made so much progress with vaccines, treatments, and safety protocols. Undoubtedly, Omicron is a variant concern, with a considerable number of mutations, 30 of which relate to the spike protein.

Omicron variant and its risks

Although Omicron is of great [concern](#), scientists still don't know all that there is to know. Just how evasive, infectious or virulent will Omicron be versus Alpha or Delta? We're likely to find out over the coming weeks. In any case, one should not rule out the occurrence of lockdowns at some point down the road. At the time of writing, the Omicron variant hasn't touched down in Canada. But that could change by the time you're reading this piece. Further rotations out of reopening stocks back into the lockdown beneficiaries could continue to unfold, especially should stopping an Omicron-driven wave into early 2022 be unavoidable.

I've urged investors to retain their lockdown stocks, especially those that sold off amid the last several quarters of partial reopenings. Indeed, many lockdown stocks remain at bargain levels going into December 2021. And it's these such names that could be among the timeliest of TSX stocks to buy right now.

Canadian meal-kit firm **Goodfood Market** ([TSX:FOOD](#)) is one of the names that could make a run for new all-time highs if Omicron sparks a wave of lockdowns.

Now, I have no idea what the effects of Omicron will be. Regardless, investors must be prepared for a bear-case scenario, one that could rhyme with the February-April 2020 environment that was so detrimental to the world economy. While a 2020-style stock market crash is unlikely, given the U.S. Federal Reserve's accommodative policies, investors must understand that anything is possible. As such, they should prepare accordingly. Valuations are stretched, and I wouldn't at all be surprised if we fell into a correction of at least 10% over the coming months.

As markets look to correct, the following names, I believe, could be ready to run, as their COVID tailwinds stand to make a sudden reappearance.

Goodfood Market: A cheap hedge against future COVID lockdowns

Goodfood Market has endured such a painful fall, as the appetite for meal kits declined, and as consumers felt safer returning to grocery stores. The recent bout of inflation did Goodfood no favours. Indeed, many Canadians felt the pinch of higher food prices and the added convenience of meal-kit deliveries was not worth the added costs.

With Austria on lockdown and many other European nations at risk of following suit, Canadians should not be shocked if Canada faces a similar situation in a few weeks or months from now. Undoubtedly, Omicron and many other variants that don't have Greek letters assigned still pose an unprecedented risk to a world economy that's already in a fragile spot. If lockdowns are looming, Goodfood will get a considerable tailwind back, and CEO Jonathan Ferrari will make the most of any further pushes into profitability.

For now, investors don't like the stock after a weak quarter. But with a gloomy environment likely ahead, FOOD looks like a must-own just in case your portfolio isn't ready for COVID lockdowns.

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Author

joefrenette

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