



Growth Investors: My 2 Best Canadian Stocks for December

Description

Fears over the Omicron variant seem to be shrugged off, with broader markets bouncing back in Monday's session. Although investors shouldn't panic or fear such variants, I don't think it's a good idea to discount the risks of further lockdowns. Undoubtedly, we probably haven't heard the last of the [Omicron](#) variant.

While it may not be as virulent as some fear, it could still impact the economy's recovery trajectory. U.S. Federal Reserve chairman commented on the Omicron variant and its downside risks to the world economy. Other folks, like billionaire hedge fund manager Bill Ackman, remain bullish on common stocks, despite Omicron uncertainties.

Don't fear Omicron! Focus on finding and buying Canadian value stocks this December

Indeed, the slate of [uncertainties](#) is growing, with inflation and COVID two top concerns heading into December. Whether or not a Santa Claus rally is still on the table is anyone's guess. Regardless, investors shouldn't overreact to Omicron jitters and treat any future pullbacks, like the one experienced on Black Friday, as opportunities to top-up one's value stocks. Many of today's value stocks can get even cheaper if they follow the footsteps of the broader markets, even if it doesn't make as much sense from a company-specific perspective (think e-commerce stocks falling on Black Friday, even though they're pandemic beneficiaries).

Without further ado, here are two of the best Canadian stocks I'd buy or watch this December. Both names look well positioned to roll with the punches if more Omicron selloffs are in the cards, while still having solid upside in the event of a seasonal Santa rally. Either way, both TSX stocks offer a great risk/reward to value investors who want to play both sides of the coin.

Restaurant Brands International

Restaurant Brands International ([TSX:QSR](#))([NYSE:QSR](#)) is one of the COVID-disrupted companies that has steadily become a better version of itself over the past two years. Indeed, the firm behind Tim Hortons, Burger King, Popeyes Louisiana Kitchen, and, most recently, Firehouse Subs, has been on the receiving end of intermittent lockdowns. Versus the likes of top-performing fast-food firms, you could say Restaurant Brands got caught with its pants down.

Despite doing nothing over the past year (shares down just north of 1%), the firm has become much better. Solid investments in modernization, an intriguing acquisition with Firehouse Subs in a deal worth US\$1 billion, and other efforts make QSR stock a top candidate to make up for lost time in the new year. Going into December, shares look dirt cheap, down over 30% from their all-time highs. Over the next 18 months, don't be surprised to see the name make a move for \$100, even in the face of rising COVID woes.

Nuvei

Payments stocks have been punished severely, and Canadian payment processor **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) was not spared, even though it should have been, given its incredible growth profile. Undoubtedly, many traditional financial firms, most notably credit card companies, are poised to face competition from tech-savvy rivals. Buy Now, Pay Later companies and non-bank payment processors like Nuvei are the new kids on the block. And they're happy to take the role of a disruptor in an industry that's overdue for disruption.

Fresh off a 33% plunge, shares of NVEI look attractive for Canadian value investors seeking impressive growth at a somewhat reasonable price. Sure, Nuvei is expensive based on traditional metrics, but compared to its growth prospects, it's arguably undervalued.

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