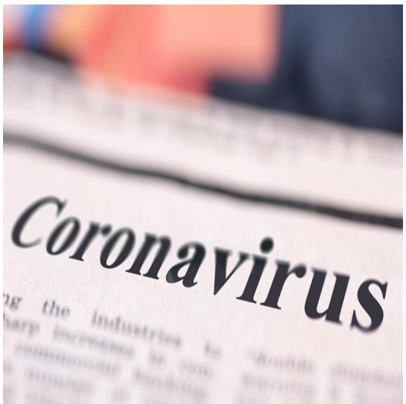

3 TSX Stocks to Buy Amid Omicron Fears

Description

Fear. It's a larger driver of the stock market than investors like to admit. While many might think that the TXS is a beast of its own, people are its main driver. Whether it's behind a major financial institution, or retail traders in their home, people make up TSX stocks performance. And fear is a very human emotion.

Never has this been more prevalent than during the pandemic. Fear drove share prices down again and again as COVID-19 flooded the world. And it's why yet again, we're seeing a drop in TSX stocks as the Omicron variant threatens to wage war on holiday travel, store sales, and more.

Yet it's this fear that provides investors with an opportunity for 2022. Buying now means you could enter next year and see substantial growth, even more than 2021, which was an excellent year by all accounts. So with that in mind, let's look at three strong options analysts recommend to buy now for the New Year.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B)(TSX:ATD) is a stellar choice if you're looking for value among TSX stocks. The company continues to be a turbulent stock, as the pandemic threatens both in-store and gas consumption sales. Still, it continues to expand, bringing even more value to its long-term investors.

Most recently, Alimentation made a series of acquisitions, bringing on 36 new sites. Furthermore, it has partnered with **Fire & Flower** to create an option for those wanting to buy cannabis. The company's Circle K already offers alcohol sales at many of its locations.

When Omicron is under control and commuting returns, there is likely to be far better earnings than even Alimentation expects. The company recently announced guidance up to US$5.1 billion. It'samong the TSX stocks with a strong balance sheet and significant value through its acquisitions andshare buybacks. Shares are up 14% year to date, down 10% from 52-week highs, trading at 15.43times earnings.

Dollarama

Dollarama (TSX:DOL) is in a similar situation with the company not offering e-commerce sales but able to remain open thanks to its essential items. Yet while other TSX stocks trade down, Dollarama has been an anomaly. The stock is now at 52-week highs, trading at $62 per share, very close to its target price of $64.

Yet analysts continue to upgrade the company, remaining confident the company can achieve 20% in earnings per share growth in the next year. The main worry is that some investors may be buying up the stock as a defensive move, and this could lead to a pullback in the near term.

That being said, Dollarama continues to show value for investors. During the last quarter, sales increased 5.5% year over year to $1.12 billion. Its EBITDA grew 11.2% year over year, with diluted (EPS) up 17.3% as 16 new stores opened. The stock remains fairly valued among TSX stocks, but there hasn't been fear driving the price down. So while you may not get a huge deal, it offers long-term investors significant opportunities for returns in 2022 and beyond.

goeasy

There are few tech companies among TSX stocks that are doing as well as **goeasy** (TSX:GSY). The company continues to manage the pandemic admirably, with shares up 77% year to date. This comes after a pullback of 21% since September highs. But again, this is an opportunity for investors to get in on the action.

goeasy has grown its loan book extensively during the pandemic, recently surpassing the $2 billion mark in its loan portfolio. That growth should continue as we come out of the pandemic, with Canadians more confident to take out loans once more. The company also recently acquired LendCare, yet remains with $908 million in liquidity for more opportunities. It is these acquisition opportunities that analysts believe could drive further returns and dividend growth.

During the last quarter, goeasy hit a record $436 million in total loan originations, up 52% year over year. This led to record organic growth in its loan portfolio as well to help achieve that $2 billion mark, yet it remains of significant value. The company trades at 11.55 times earnings, with a dividend of 1.5% and potential upside of 35% to reach its $233 average target price.

CATEGORY

1. Coronavirus
2. Investing

TICKERS GLOBAL

1. TSX:ATD (Alimentation Couche-Tard Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:GSY (goeasy Ltd.)

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