



## 3 Retail Stocks to Put Atop Your Long-Term Buy List

### Description

The Canadian retail sector has been a consistent source of growth over the last few years, and savvy investors are constantly looking for ways to profit from this trend. However, it is not always easy finding the right stock at the right price. In order to simplify the search process, I have compiled a list of three companies that operate in different industries within the sector and whose stocks are trading at inexpensive forward valuations compared with their industry averages, so let's take a closer look at each to determine which would fit best in your portfolio.

#### 1. Metro Inc.: Food & pharmacy

**Metro Inc.** ([TSX:MRU](#)) is one of the largest owners and operators of grocery stores, convenience stores, and pharmacies in Canada. At today's levels, its stock trades at 16.9 times fiscal 2015's estimated earnings per share of \$1.98 and 15.2 times fiscal 2016's estimated earnings per share of \$2.20, both of which are inexpensive compared with the industry average price-to-earnings multiple of 24.9. In addition, the company pays a quarterly dividend of \$0.117 per share, or \$0.468 per share annually, giving its stock a 1.4% yield.

#### 2. Canadian Tire Corporation Limited: General merchandise & more

**Canadian Tire Corporation Limited** ([TSX:CTC.A](#)) is one of Canada's largest retailers of general merchandise, automotive products, sporting goods, apparel, and fuel. At current levels, its stock trades at 16.7 times fiscal 2015's estimated earnings per share of \$7.99 and 15.2 times fiscal 2016's estimated earnings per share of \$8.77, both of which are inexpensive compared with the industry average price-to-earnings multiple of 19. Additionally, the company pays a quarterly dividend of \$0.525 per share, or \$2.10 per share annually, which gives its stocks a 1.6% yield.

#### 3. Reitmans (Canada) Limited: Specialty retail

**Reitmans (Canada) Limited** ([TSX:RET.A](#)) is one of the largest specialty retailers of women's apparel and accessories in Canada. At today's levels, its stock trades at 18.6 times fiscal 2015's estimated earnings per share of \$0.35 and 14.8 times fiscal 2016's estimated earnings per share of \$0.44, both of which are inexpensive compared with the industry average price-to-earnings multiple of 21.7. In

addition, the company pays a quarterly dividend of \$0.05 per share, or \$0.20 per share annually, giving its stock a 3.1% yield.

### Which retail stock should you buy today?

Metro, Canadian Tire, and Reitmans represent three of the best long-term investment opportunities in the retail sector today. Foolish investors should strongly consider establishing positions in one of them.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:MRU (Metro Inc.)

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### Tags

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