



## 3 Retail Stocks to Buy Today

### Description

The Canadian retail industry 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, but it is not always easy finding the right stock at the right price. To make things easier, I have compiled a list of three stocks that are trading at inexpensive forward valuations compared with their sub-industry averages, so let's take a closer look at each to determine which would fit best in your portfolio.

#### 1. Dollarama Inc.

**Dollarama Inc.** ([TSX:DOL](#)) is the largest owner and operator of dollar stores in Canada. At today's levels, its stock trades at 30 times fiscal 2016's estimated earnings per share of \$2.64 and 25.6 times fiscal 2017's estimated earnings per share of \$3.10, both of which are inexpensive compared with its industry average price-to-earnings multiple of 31.9. In addition, the company pays a quarterly dividend of \$0.09 per share, or \$0.36 per share annually, giving its stock a 0.45% yield.

#### 2. Empire Company Limited

**Empire Company Limited** ([TSX:EMP.A](#)) is one Canada's largest owners and operators of grocery stores. At current levels, its stock trades at 14.5 times fiscal 2016's estimated earnings per share of \$6.20 and 13.5 times fiscal 2017's estimated earnings per share of \$6.67, both of which are inexpensive compared with its industry average price-to-earnings multiple of 53.6. Also, the company pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, which gives its stock a 1.3% yield.

#### 3. Canadian Tire Corporation Limited

**Canadian Tire Corporation Limited** ([TSX:CTC.A](#)) is one of Canada's largest retailers of general merchandise, automotive products, sporting goods, and apparel. At today's levels, its stock trades at 15.8 times fiscal 2015's estimated earnings per share of \$7.85 and 14.4 times fiscal 2016's estimated earnings per share of \$8.59, both of which are inexpensive compared with its industry average price-to-earnings multiple of 34.9. Additionally, the company pays a quarterly dividend of \$0.525 per share, or \$2.10 per share annually, giving its stocks a 1.7% yield.

### **Which of these retail stocks should you buy today?**

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

### **CATEGORY**

1. Investing

### **TICKERS GLOBAL**

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:DOL (Dollarama Inc.)
3. TSX:EMP.A (Empire Company Limited)

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