



Recent GDP Numbers Are Good News for These 3 Stocks

Description

A sluggish retail sales report by Statistics Canada for August was followed up by a 0.1% contraction in GDP for the same month. Experts and analysts had been tempering expectations following the impressive pace set by the economy in the first six months of 2017. However, there were still plenty of good takeaways from the report. The stocks below have reason for optimism in light of this new information.

Hudson's Bay Co. (TSX:HBC) is an Ontario-based retail company currently in flux. An activist investor has pressured the company to make the most of its real estate holdings after successive quarters of poor performance. The company sold its Lord and Taylor Fifth Avenue building in New York City for over \$1 billion. In a previous article, I'd [outlined reasons why HBC](#) would continue on its real estate path.

HBC leadership was skeptical of a move into real estate, as the market appeared to be entering a difficult period in the spring and summer months. However, the August report showed real estate, rental, and leasing activity rising 0.2% in August. The Toronto Real Estate Board has shown that house prices are beginning to recover in the Greater Toronto Area, and new building has also shot up.

Shares of HBC have declined 10.9% in 2017 as of close on November 13 and 20% year over year. Though HBC is a gamble considering its uncertain future, a full commitment to monetizing its real estate holdings could see the fortunes of this stock change quickly.

Gildan Activewear Inc. (TSX:GIL)(NYSE:GIL) is a Montreal-based manufacturer of branded clothing. Shares of Gildan Activewear have increased 12.6% in 2017. Clothing and accessory stores experienced 1.3% growth in August. The company is also interesting heading into the holiday season, as it supplies private labels like **Under Armour Inc.** and **New Balance**. It also purchased America Apparel for \$88 million in 2017. In an October article, I'd [focused on Gildan Activewear](#) as a premium growth stock for millennials.

Gildan Activewear released its third-quarter results on November 2. It posted net sales of \$716.4 million, which were flat year over year. The company reported net earnings of \$116.1 million, or \$0.52

per share, compared to \$114.4 million, or \$0.49 per share, in Q3 2016.

The stock offers a dividend of \$0.12 per share with a 1.2% dividend yield.

Canadian Tire Corporation Limited ([TSX:CTC.A](#)) is a Toronto-based retailer of a broad range of accessories and appliances, including automotive products and sports and leisure. The stock has climbed 16.2% in 2017. Activity at electronics and appliances stores was up 2% in the August GDP report.

In its third-quarter results, Canadian Tire posted consolidated retail sales that increased 5.1% to \$179.5 million. Consolidated revenue was up 5.6% to \$175.5 million, and income before income taxes grew 4.3% year over year. This monster Canadian retailer is still a great buy for the long term.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:GIL (Gildan Activewear Inc.)

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