



## Top Stocks to Buy Ahead of the Holiday Shopping Season

### Description

A September survey conducted by **Purolator** indicated that retailer expected 2017 to be a better year for retail sales than 2016. Of the retailers surveyed, 89% said e-commerce had shifted customer buying patterns, and 80% are expecting increased sales during this holiday season.

Let's take a look at three stocks that could see big future earnings due to a surge in 2017 holiday retail sales.

**Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#)) stock has climbed 15.9% month over month as of close on November 15. The company adjusted its forecast, as it expects its e-commerce platform to yield bigger results in the quarters ahead. In a late October article, I'd [discussed the surge in e-commerce retail sales](#) and focused specifically on Canada Goose for its success in this regard. Seasonally adjusted e-commerce retail sales were up 41% in the most recent Statistics Canada August report.

Canada Goose released its fiscal 2018 second-quarter results on November 9. Revenue jumped 34.7% year over year to \$172.3 million. It posted direct-to-consumer revenue of \$20.3 million compared to \$5.5 million in fiscal Q2 2017. Gross profit also climbed to \$87.1 million from \$59.3 million the previous fiscal year.

The company will now get to see how its knitwear line will perform in the holiday season along with its traditional winter clothing line.

**Indigo Books & Music Inc.** ([TSX:IDG](#)) is a Toronto-based book, gift, and specialty toy retailer. It operates stores in every Canadian province and tends to perform extremely well during the holiday season. Indigo stock has increased 6.6% in 2017 and 16% year over year.

Indigo released its fiscal 2018 second-quarter results on November 1. Revenue climbed 3.5% to \$224.5 million. The company noted that this was very positive considering the release of the hit children's play *Harry Potter and the Cursed Child* in the same period last year. Lifestyle and toy categories posted especially impressive growth, which is a great sign heading into the holiday season.

Indigo launched five new locations Guelph, Ottawa, Toronto, and Edmonton in the quarter. The stores, boasting a new concept geared to reflect the company's transformation into a "cultural department store for book lovers," showed 16% revenue growth. The company ultimately reported a net loss of \$4.7 million compared to \$1.2 million in the previous year, as Indigo made significant investments to upgrade its digital development, marking, supply chains, and the store re-imagining.

**Aritzia Inc.** ([TSX:ATZ](#)) is a Vancouver-based women's fashion brand. Shares of Aritzia have declined 36% in 2017. I [pinpointed Aritzia](#) as one of my top clothing retailers to target after the **Roots Corp.** IPO disappointed.

The company released its fiscal 2018 second-quarter results on October 5. Revenue jumped 10.2% to \$174 million, and the company reported net income of \$5 million compared to a net loss of \$67.3 million in fiscal Q2 2017. Like Canada Goose, Aritzia has also worked hard to expand and improve its e-commerce business to make it a focal point of its business model looking ahead.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:GOOS (Canada Goose)
4. TSX:IDG (Indigo Books & Music)

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