



5 Growth Stocks That Could Be Primed for a Strong Finish in 2017

Description

On November 23, Statistics Canada released retail trade numbers for September 2017. Retail sales were up 0.1% to \$49.1 billion in the month, led by higher sales at gasoline stations. In light of these recent numbers, let's look at five stocks investors can target that may be able to carry the momentum into 2018.

Husky Energy Inc. (TSX:HSE) is a Calgary-based integrated energy company. Husky stock has climbed 6.6% over a three-month period as of close on November 24. Husky Energy operates over 500 retail gas stations across Canada. Hurricane Harvey caused a disruption for inventories, which hiked oil and gas prices in late August and September. In the third quarter, Husky posted funds from operations of \$891 million compared to \$619 million in Q3 2016. Oil and gas prices have shown strength in the current rally, so Husky could be an attractive hold heading into 2018.

Leon's Furniture Ltd. (TSX:LNF) is a Toronto-based furniture retailer. Shares of Leon's have increased 4.2% in 2017 and 9.1% year over year. In a mid-November article, I'd [discussed](#) the poor retail numbers for furniture stores in August. I'd also pointed out that furniture sales tend to trend down in the summer, with sales picking up closer to the holiday season. In the September retail sales report, sales at furniture and home furnishing stores were up 2.3%.

In the third quarter, Leon's saw revenue growth 3.3% and system-wide sales increase by 4.7%. The stock also offers a dividend of \$0.12 per share with a 2.5% dividend yield.

Richelieu Hardware Ltd. (TSX:RCH) is a Montreal-based hardware retailer. The stock has climbed 35.9% in 2017. Sales at building material and garden equipment and supplies dealers also saw an uptick in September, with sales up 2.6%. A bounce back in housing prices and sales could be a driver for momentum for the company as well.

Richelieu released its third-quarter results on October 5. Sales jumped 5% to \$253.2 million, and net earnings rose 4.9% to \$18.1 million compared to Q3 2016. Richelieu offers a modest dividend of \$0.06 per share with a 0.6% dividend yield.

Alimentation Couche Tard Inc. (TSX:ATD.B) is a Quebec-based convenience store operator with

over 12,000 worldwide locations. The stock has increased 5.2% in 2017. In a recent article, I'd [covered the dip in convenience store retail sales](#) in August 2017 and year over year. Convenience store retail sales saw a 3.7% increase in September, which bodes well for a Canadian sector that has shown weakness compared to its U.S. counterpart. The convenience store retail sector is also a solid defensive add to consider as Canadian debt levels continue to rise.

Sleep Country Canada Holdings Inc. ([TSX:ZZZ](#)) is a Toronto-based mattress retailer. The uptick in furniture retail sales should bode well for Sleep Country heading into the holiday sales season. The stock has increased 14.1% in 2017. In the third quarter, revenue was up 10.1%, and gross profit jumped 12.1% to \$58.4 million. Sleep Country stock also offers a dividend of \$0.17 per share, representing a 2% dividend yield.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:LNF (Leon's Furniture Limited)
2. TSX:RCH (Richelieu Hardware Ltd.)
3. TSX:ZZZ (Sleep Country Canada)

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