



## 4 Retail Stocks That Are Off to a Hot Start in 2018

### Description

The S&P/TSX Index finished January in the red — down 1.59%. However, there are still some attractive options on the TSX for investors seeking growth.

Statistics Canada released its retail trade report for November 2017 on January 25. Retail sales climbed 0.2% to \$50.1 billion, and sales were up in six out of 11 sub-sectors. Here are four stocks that could carry momentum into February and beyond.

#### **Dollarama Inc.** ([TSX:DOL](#))

Dollarama stock rose 7% in January. Dollarama is a Montreal-based dollar store retail chain. Dollar stores have experienced [major success in North America](#) since the Financial Crisis and have broadened consumer bases. Sales at general merchandise stores were up 1.8% in November 2017.

Quebec reported the largest growth in sales activity of any Canadian province — up 0.9% in November 2017. Retail sales in the Montreal metropolitan area were up 1.2% over the course of the month. Dollarama is coming off 2017 third-quarter results that saw sales rise 9.7% and EBITDA climb 18.8% to \$207.3 million.

#### **Canada Goose Holdings Inc.** ([TSX:GOOS](#))([NYSE:GOOS](#))

Canada Goose stock increased 11.46% in the month of January. Shares have jumped 60% over a three-month span. Analysts are eagerly anticipating fourth-quarter results that are expected in early February. The winter clothing manufacturer sees the most significant spike in activity during the holiday shopping season.

Sales at clothing and clothing accessories stores rose 3% in November 2017. Strong e-commerce numbers in November also represent a positive sign for Canada Goose and its burgeoning e-commerce platform. Keep an eye on its stock in the short term, as it looks poised to post a big third quarter.

## Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#))

Shopify stock rose 23.5% in January. The Ottawa-based company provides an e-commerce platform for online stores and retail point-of-sale systems. In the third quarter of 2017, Shopify saw revenue and gross profit jump 72% and 86%, respectively.

Retail e-commerce sales were \$1.8 billion in November, which accounted for 3.5% of total retail trade. This represented the highest proportion of total retail sales in a month recorded in 2017. E-commerce retail sales had increased 25.5% year over year as of November 2017. Shopify reported that it sold over \$1 billion through its merchants on Black Friday and Cyber Monday in 2017.

## Husky Energy Inc. (TSX:HSE)

Husky Energy stock rose 1.58% in January. Shares have climbed 6.6% year over year. Husky Energy operates over 500 retail stations across Canada.

Oil and gas prices have continued to [rally in the first month of 2018](#). In November 2017, Statistics Canada showed receipts at retail gas stations were up 5.9% due to higher prices. The price of gasoline increased 7.4% in November on an unadjusted basis, according to the Consumer Price Index.

In the third quarter of 2017, Husky Energy reported that funds from operations rose to \$891 million from \$619 million in the prior year. Adjusted net earnings jumped to \$136 million compared to a \$100 million loss in Q3 2016.

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1. Investing

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3. TSX:DOL (Dollarama Inc.)
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