4 Stocks to Buy After Solid Growth for Canada in Q4

Description

Statistics Canada released fourth-quarter GDP numbers for Canada in early March. Real GDP grew 0.4% in the fourth quarter, which was the same rate posted in Q3. At an annualized rate, real GDP experienced 1.7% growth in Q4.

The Bank of Canada elected to hold its benchmark interest rate at 1.25% in its most recent meeting. However, the central bank is optimistic about Canadian economic growth in 2018. Today, we are going to look at four stocks to scoop up as the stock market appears to be taking a breather in the first months of this year.

Canopy Growth Corp. (TSX:WEED)

Canopy is a licensed cannabis producer. Canopy stock has climbed 9.2% in 2018 as of close on March 12. Shares are up 20.7% month over month, as the cannabis market has started to regain momentum after a swoon started in early January. We have yet to see how the cannabis industry will perform after recreational legalization, but if it mirrors alcohol consumption in any way, its performance should be relatively recession-proof.

Canopy is an obvious target, as it has boasted the highest quarterly revenues of any other Canadian producer and has been incredibly active in securing production agreements before legalization. The company is also pursuing a listing on the NASDAQ that could occur as soon as the second quarter.

Dollarama Inc. (TSX:DOL)

Dollarama is a Montreal-based dollar store retailer. December retail sales disappointed in 2017 after a November that saw very high activity. However, dollar stores have proven to be extremely robust retailers in North American following the 2007-2008 financial crisis. Dollarama has dipped 5.2% to start 2018, which could be an attractive entry point.

In the fiscal 2018 third quarter, Dollarama saw sales jump 9.7% to $810.6 million, and EBITDA climbed 18.8% to $207.3 million. The stock also offers a dividend of $0.11 per share, representing a 0.3% dividend yield.

Cineplex Inc. (TSX:CGX)

Cineplex is a Toronto-based media company that operates cinemas across Canada. Cineplex stock has plunged 16.8% in 2018 so far. However, the company had some positives to report in the fourth quarter of 2017. Total revenues jumped 10.6% year over year, and net income grew 23.4% to $28.8 million. The Marvel property *Black Panther* has turned in a tremendous performance to start 2018, raking in over $1 billion worldwide. This is a good start after box offices struggled mightily in North America last year. Cineplex also offers an attractive quarterly dividend of $0.14 per share, representing a 5.4% dividend yield.

National Bank of Canada (TSX:NA)

National Bank is a Montreal-based bank, the sixth-largest major bank in Canada. Shares of National Bank have increased 0.94% in 2018. Although it is the smallest of Canada's major banks, it boasts a large footprint in Quebec, which posted some of the best economic numbers of any province in 2017.

National Bank released its first-quarter results on February 28. Net income climbed 11% year over year to $550 million, and the bank reported double-digit growth across all of its business segments. National Bank also announced a quarterly dividend of $0.60 per share, representing a 3.8% dividend yield.

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2. TSX:DOL (Dollarama Inc.)
3. TSX:NA (National Bank of Canada)
4. TSX:WEED (Canopy Growth)

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