



## 3 Growth Stocks to Pick Up in June

### Description

Several top allies of the United States, including Canada, France, and Germany, are on edge ahead of a crucial G7 meeting in Quebec City. The decision by the Trump administration to impose steel and aluminum tariffs on Canada, and its top European allies has sparked renewed concern over the [future of global trade](#). French Finance Minister Bruno Le Maire described the upcoming meeting as “G6 plus one” in reference to the fierce divisions that have emerged.

The tariffs have not slowed down the rally on the **S&P/TSX Composite Index**, as it has nearly broken even in 2018 as of close on June 7. Meetings in Quebec City this weekend will hopefully provide some clarity to investors. In the meantime, we’ll look at three growth stocks that investors may want to target as economic storm clouds gather. These stocks all boast large footprints in growing industries.

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

Dollarama stock plunged 6.68% on June 7, occurring on the same day that the company released its fiscal 2019 first-quarter results. In the quarterly report, CEO Neil Rossy admitted that Dollarama may be forced to raise prices on food and other goods due to Canada’s planned retaliatory tariffs on U.S. goods. However, Dollarama may welcome the Progressive Conservatives to power in Ontario, which promised to freeze minimum wage hikes at \$14/hour.

In its first-quarter report, Dollarama saw sales rise 7.3% year-over-year to \$756.1 million and comparable store sales grew 2.6%. Diluted net earnings per share increased 12.2% to \$0.92, but the company still missed sales estimates due to a longer winter. The company also announced a cash dividend of \$0.12 per share.

In spite of the disappointment, Dollarama has maintained its guidance for fiscal 2019. Investors may want to take advantage of this dip, but it may be wise to wait for a clearer picture on the U.S.-Canada trade relationship going forward.

#### **Canopy Growth Corp.** ([TSX:WEED](#))(NYSE:CGC)

Canopy Growth also had reason to celebrate a crucial vote on June 7. The Canadian senate voted to

pass the recreational legalization of cannabis. The bill will now go to the House of Commons for final approval. This is obviously good news for investors in the cannabis industry, as the deadline for legalization appears to be on track for August or September at the latest.

**Kinaxis Inc.** ([TSX:KXS](#))

Kinaxis was [my top stock pick for June](#). Shares of Kinaxis have climbed 11.3% in 2018 as of close on June 7. Global trade disputes have the potential to disrupt supply chains, which may drive more companies to seek its services. Kinaxis offers software solutions for sales and operation planning and supply chain management. It managed to win several major clients in 2018, including **Toyota Motor Corp.** and Volvo.

The company reported 24% growth in subscription revenue in the first quarter. Shares are still in negative territory year-over-year, and its current value is still enticing.

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2. TSX:DOL (Dollarama Inc.)
3. TSX:KXS (Kinaxis Inc.)
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aocallaghan

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