



3 Great Stocks You Should Consider

Description

The sheer number of great investments that we cross on a daily basis, completely unaware of the great potential for growth that these otherwise everyday companies could pose to our portfolios, never ceases to amaze me.

Here are three such investments and why they make [surprisingly good investment options](#).

Gildan Activewear ([TSX:GIL](#)) ([NYSE:GIL](#)) is a unique investment that screams both growth and diversification.

Gildan reported results for the second fiscal quarter of 2018 last week, and the company beat expectations by a wide margin. Net sales came in at US\$764.2 million, reflecting a 6.8% increase over the same period last year. The company noted that much of that increase was attributed to strong sales in activewear, which realized a 17.3% gain in sales for the quarter. Additionally, international markets outside both Canada and the U.S. saw impressive gains of 35.2% in the quarter.

Net earnings came in at US\$109 million, or US\$0.51 per diluted share, beating the US\$107.7 million, or \$0.48 per share, in the same quarter last year.

Strong results are just one reason to invest in Gildan. Another has to do with the acquisition of American Apparel last year. Revenues from that unit are slated to hit US\$100 million by the end of the current fiscal quarter. Gildan paid US\$88 million for the U.S.-based apparel house.

Gildan currently trades at \$40 with a P/E of 25.60. The company also offers a solid quarterly dividend that pays out a yield of 1.57%.

Saputo ([TSX:SAP](#)) is another interesting option for investors looking to diversify with a growth stock. Saputo is one of the largest dairy producers on the planet; it owns and distributes products under a wide variety of brands.

Saputo's recent \$1.3 billion acquisition of Australian-based Murray Goulburn helped propel Saputo to hold a majority stake in Australia's milk powder market. Additionally, the deal will help Saputo enter the

lucrative Chinese market, where Murray Goulburn already has a presence.

On the domestic front, Saputo is a vocal advocate of opening or eliminating Canada's dairy supply system, noting that it would not only bring more competition and innovative products to the market, but also open foreign markets to Canadian suppliers.

Food stocks like Saputo offer investors a number of compelling advantages, such as the emotional moat that comes from buying food we like and, more importantly, need to survive. While some of that moat extends to [grocers](#) that sell those goods, the fact remains that food companies remain excellent long-term investments.

Saputo currently trades below \$41 with a P/E of 18.69. Investors considering the company should also note that Saputo provides a quarterly dividend that provides a yield of 1.44%.

Aecon Group ([TSX:ARE](#)) is a unique investment that is rarely covered, which is odd considering the massive size and growth potential the company has.

Aecon is one of the largest infrastructure development companies in the country, with a sprawling portfolio of projects that include staples of Canadian architecture such as the CN Tower and Vancouver Sky Train. Aecon also has a growing list of projects that are located outside Canada that will keep the company busy.

The company recently noted during its quarterly update that it has a \$6.4 billion backlog of work projects.

Aecon made headlines earlier this year after the Canadian government prevented a Chinese company from taking over Aecon on the ground of security. As a result of the government blocking the sale, Aecon's stock dropped.

While the stock has recovered somewhat from that drop, it still trades at a discount that could be beneficial for investors looking for a position in the company.

Aecon currently trades at just over \$17 and offers investors a compelling quarterly dividend with a yield of 3.25%.

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2. TSX:ARE (Aecon Group Inc.)
3. TSX:GIL (Gildan Activewear Inc.)
4. TSX:SAP (Saputo Inc.)

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Author

dafxentiou

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