



2 Growth Stocks to Add to Your TFSA in October

Description

Investors are now entering the final months of 2018. With that, many may be mulling over last-minute contributions to their RRSPs or TFSAs. Today, I want to focus on two stocks that are worth considering for the latter. Both are suitable targets for a TFSA due to their respective growth potential and overall trajectory heading into the next decade.

Andrew Peller ([TSX:ADW.A](#))

Andrew Peller is an Ontario-based wine-producing company. Shares have climbed 5.2% in 2018 as of close on September 26. However, the stock has dropped 6.6% over the past three months. This retreat could represent an opportunity for investors to stack at a discount.

Back in June, I'd [discussed](#) why Andrew Peller is a rock-solid option for a TFSA. A report from Zion Research revealed that the global wine market was worth approximately \$302 billion in the year 2017. The report forecasts that the global wine market will generate \$423 billion in revenue by the year 2023. This represents a compound annual growth rate (CAGR) of 5.8%. Much of this growth has been fueled by the Chinese market, which is poised to become the second-largest wine market in the world by 2020 if trends persist.

Andrew Peller does not have a substantial international footprint, but domestic growth in the wine market has also been very promising. Canadian winemaking has matured over the past 20 years, but there is some concern that liberalizing NAFTA could expose domestic winemakers to U.S. competition, which could be damaging in the long term. So far, the Canadian trade delegation has remained firm in its defence of Canadian industries.

In the first quarter of fiscal 2019, Andrew Peller saw sales rise 7.8% year over year on the back of its winery acquisitions in October 2017. Adjusted EBITDA surged 24.1% from the prior year and the gross margin increased to 43.2% from 40.2% in Q1 fiscal 2018.

Great Canadian Gaming (TSX:GC)

Great Canadian Gaming stock has climbed 36.5% in 2018. However, the stock has also sputtered

since hitting all-time highs in early June. Gaming stocks have been a [fantastic source of growth](#) in Canada and U.S. markets in 2018. Great Canadian Gaming stock has been on a tear since it won the rights to the coveted GTA Bundle in August 2017. The company released its second-quarter results on August 14 and they were the first to include revenues from the GTA properties.

Revenues soared 90% year over year to \$305.3 million and net earnings rose 134% to \$64 million. Adjusted EBITDA also jumped 98% to \$124.6 million. These increases were powered by the inclusions of revenue from the GTA Gaming Bundle and two months of activity from the West GTA Bundle. Great Canadian Gaming has already laid out an ambitious development plan for its new assets that should boost revenue in the years to come.

The alcoholic beverage and gaming industries have proven robust during economic turbulence in the past, which also lends to their attractiveness at this time.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:ADW.A (Andrew Peller Limited)

PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

Category

1. Investing

Date

2025/08/15

Date Created

2018/09/27

Author

aocallaghan

default watermark

default watermark