Young Investors: 3 Stocks That Belong in Your RRSP in Late 2018

Description

The S&P/TSX Composite Index plunged 336 points on October 10. Indexes in the United States were also hammered hard as the Dow Jones Industrial Average dropped 831 points. The S&P 500 and the NASDAQ fell 3.29% and 4.08%, respectively.

As of this writing, markets in Asia and Europe are experiencing a sharp sell-off of their own. Fear of rising interest rates and declining global growth has provoked a backlash in what is typically a choppy month. Young investors should see this dip as an opportunity.

Recently, I'd discussed the decline of defined-benefit (DB) pension plans in the private sector and why Canadians would do well to adapt to this changing environment by saving and investing more aggressively. This is particularly true for young investors. Today, we are going to look at three stocks that can offer a mix of growth and income in a portfolio geared for the long term.

Goeasy (TSX:GSY)

Goeasy is a Mississauga-based financial services company that offers unsecured installment loans and other features to its customers. Shares dropped 3.44% on October 10. The stock is still up 23.3% in 2018 so far, but an extended dip offers an enticing opportunity to add a promising company at a discount.

Goeasy is expected to release its third-quarter results in early November. In the second quarter, the company saw revenue climb 26.4% year over year to $123.3 million. Revenue at its easyfinancial segment increased 41.4% to $89 million and reported record customer growth of 9,290. The average loan book per branch climbed 47% to $2.5 million.

For the first six months of 2018, Goeasy has reported a revenue increase of 24.2% to $238.1 million. The board of directors also approved a quarterly dividend of $0.225 per share, representing a modest 1.8% dividend yield.

Aritzia (TSX:ATZ)

Aritzia is a Vancouver-based integrated design house. Shares fell 1.71% on October 10. The stock has soared 40% in 2018 so far on the back of impressive results in fiscal 2019.

Aritzia released its fiscal 2019 second-quarter results on October 4. It reported net revenue of $205.4 million, which was up 18% from Q2 fiscal 2018. Adjusted EBITDA surged 59.6% year over year to $33 million. The company has continued to see solid growth in its e-commerce business while expanding its brick-and-mortar footprint. Year-to-date revenue has increased 16.7% to $372.4 million and it has posted net income of $27.4 million compared to $13.1 million in the first six months of fiscal 2018.

Jamieson Wellness (TSX:JWEL)

Jamieson Wellness stock plunged 4.22% on October 10. Shares are still up 9.6% in 2018. Jamieson is expected to release its third-quarter results in early November.

In the second quarter, Jamieson reported a revenue increase of 8.2% year over year to $77.1 million, while adjusted EBITDA and net income shrunk marginally from Q2 2017. The company announced a 12.5% increase to its quarterly dividend to $0.09 per share. This represents a 1.3% dividend yield. The sports nutrition and supplements market is well positioned for very positive growth into the next decade. Jamieson has a strong domestic footprint and is expanding internationally. It remains an attractive long-term option today and a buy-low opportunity in this choppy market.

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1. Investing

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1. Editor's Choice

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2. TSX:GSY (goeasy Ltd.)
3. TSX:JWEL (Jamieson Wellness Inc.)

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