



These Are the 3 Stocks I'd Buy This Fall

Description

The recent slip for stocks in North America is unwelcome for investors, but it is also a worrying sign for retailers. The busy season of November and December is fast approaching, and North American retailers will be relying on another big year after a record 2017. Black Friday is set for November 23 this year, and 2017 saw the largest recorded online and mobile sales in history.

Investors can expect this trend to continue this year and into the next decade. Top retailers have responded by beefing up e-commerce business. Last year, U.S. holiday shoppers did approximately 50% of their shopping online. Canadian shoppers have lagged in this regard at a little under 40%, but this number is expected to increase going forward.

With the holiday shopping season fast approaching, let's look at three stocks that are worth targeting after the global stock market sell-off.

Sleep Country Canada ([TSX:ZZZ](#))

Sleep Country Canada is a Brampton-based mattress retailer, one of the largest in Canada. Shares of Sleep Country have dropped 12% over the past month as of close on October 15. The stock is down 18.7% in 2018 so far.

Sleep Country is expected to release its third-quarter results on November 1. In the second quarter, the company saw revenue climb 8.1% year over year to \$143.7 million and it reported same-store sales growth of 4.4%. Adjusted net income jumped 12.4% from the prior year to \$13.4 million and adjusted earnings per share rose 12.5% to \$0.36. Growth at Sleep Country has been powered by its strategic initiatives to boost its units sold and grow its market share in the sub-\$1,000 price category.

The board of directors also declared a dividend of \$0.185 per share, which represents a 2.5% dividend yield.

Indigo Books & Music ([TSX:IDG](#))

Indigo Books & Music stock has plunged 20% over the past three months. Shares are down 26% in

2018 as the stock has [suffered a slump](#) since early March. The company is expected to release its fiscal 2019 second-quarter results in early November.

In Q1 fiscal 2019, Indigo reported total comparable sales growth of 2.4% year over year. Indigo has always been a high performer during the holiday season and has moved to improve its e-commerce platform as brick-and-mortar locations have faced challenges. In the first quarter, the company reported progress in this regard, as it posted an increase in e-commerce traffic and average order value.

Leon's Furniture ([TSX:LNF](#))

Leon's Furniture stock has dropped 5.5% over the past three months. The company is yet another [furniture retailer](#) that should see increased activity in late 2018. Leon's released its second-quarter results on September 10.

Leon's reported system-wide sales growth of 2% in the second quarter to \$650 million. Adjusted net income climbed 13.2% year over year to \$22.5 million. For the first six months of 2018, revenue has increased 2.4% to \$1.04 billion and adjusted net income has climbed 19.7% to \$34 million. Leon's also announced a 16.7% increase to its quarterly dividend to \$0.14 per share, representing a 2.9% dividend yield.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:IDG (Indigo Books & Music)
2. TSX:LNF (Leon's Furniture Limited)
3. TSX:ZZZ (Sleep Country Canada)

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