



## Forget Marijuana Stocks! This Is a Better Way to Retire Early

### Description

For investors seeking quick gains, cannabis stocks have been the go-to sector on the TSX. Having risen as much as 700% last year, they've presented many opportunities for rapid profits. However, those opportunities come at a price. Cannabis stocks' downswings have been just as pronounced as their upswings (ask anyone who bought on October 16), so along with weed's outsized reward comes outsized risk.

That's not mere opinion, either. **Canopy Growth's** beta has been calculated at [more than four](#) over a three-year period, meaning the stock is over four times as volatile as the market. Especially for jittery investors, this type of thing provides a major incentive against investing in Canada's trendiest sector.

But what if there were a group of stocks offering marijuana-like returns *without* the volatility? If such a sector existed, it would provide investors with cannabis-like profit opportunities without the risk. Such a sector would be hard to find, but I believe one exists.

## Clothing retailers

Clothing retailers have been some of the strongest stock market gainers in the past 12 months — and many of them are listed on the TSX. **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) is a TSX mainstay that was up 70% over a 12-month period as of this writing. Vancouver-based **Lululemon Athletica** ([NASDAQ:LULU](#)) is also up 77%, with massive sales and EPS growth to back it up. More to the point, neither of these stocks are anywhere near as volatile as cannabis has been, even though they offer comparable returns.

Let's take a look at each one in more detail.

## Canada Goose

Canada Goose is a premium vendor of winter parkas that sell for about \$1,000 each. A price tag like that comes high margins, so it's no surprise this company has a profit margin approaching 20%.

Canada Goose is [enormously popular in China](#), which means it's perfectly positioned to profit from growth in a market with two billion potential customers. Its beta has been calculated at just 1.72, meaning it's not too volatile for even a moderately antsy investor.

## Lululemon Athletica

Lululemon is one of Canada's best-known retail companies. Famous for its yoga pants and related "athleisure" products, it has over 400 stores worldwide. The company boasts a number of impressive achievements, including 20% year-over-year revenue growth and 60% year-over-year earnings growth in its most recent quarter. It's also a fairly steady grower, with a beta of just 1.21 according to **Reuters**.

## Foolish takeaway

It's often taken as gospel truth that, on the stock market, high reward comes with high risk. Most often, this is the case, but not always. Canada's clothing retail industry has been cranking out high returns for investors without excessive volatility or downside. Either of the stocks mentioned on this list are among the best Canadian growth picks for 2019.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:LULU (Lululemon Athletica Inc.)
2. NYSE:GOOS (Canada Goose)
3. TSX:GOOS (Canada Goose)

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