2 Top Canadian Growth Stocks to Buy in May

Description

The new year has been a crazy one for many a stock. While some managed to return to prices not seen since last summer, others somehow went up only to come right back down again.

Take the case of **Canada Goose Holdings Inc.** (TSX:GOOS)(NYSE:GOOS) and **TFI International Inc.** (TSX:TFII). Both hit all-time highs last year without any sign of slowing down. But the new year brought a new outlook on both stocks, and since both have dipped, it might be a good time for investors to pick them up this month.

Canada Goose

For months (and months… and months), this stock was listed as "overvalued" by too many analysts to count. But after a tumble at the beginning of December, this stock has struggled to revert to the point where investors were thinking it would hit the $100 per share mark any day.

The stock trades at $73.02 at the time of writing, and analysts are looking a bit more bullishly at this stock. In the next 12 months, they predict it could be between $70 and $100 per share, and is finally *under*valued.

What's been pushing this downturn is the situation between China and Canada, but that is a temporary situation and one that is out of Canada Goose's hands. Frankly, investors should see its books as more than enough reason to hold onto this stock, and buy it up at such a low share price.

After all, this company is highly likely to make up for the time it lost in this recent downturn and become the great growth stock is once was — and quickly. In the most recent quarter, its earnings increased by 61% and revenue by 50%, and the company is confident that it can continue this rate of double-digit growth for years to come, especially as it continues to penetrate international markets.

TFI International

This trucking company may not be as flashy as Canada Goose, but it provides a similar opportunity. The company almost reached $50 per share last summer before beginning a slow downward spiral that landed with a plummet of 23% at the end of 2018.

But again, this stock has since become highly undervalued, and analysts believe the stock should have no problem moving from where it is at the time of writing at $43.53 per share to $50 or even $60 per share in the next 12 months.

This year has already seen the beginning of a positive trajectory with the company producing a strong first quarter, with earnings per share of $0.74, beating estimates by about 12%. Net income came in at $65.1 million, rising 29% year over year, and record revenue hit $1.23 billion. The future looks just as bright, especially with the recent acquisition of BeavEx. Last year net income was at $292 million, but by 2022 the company predicts it will be at $298 million, which should be no problem once the economy bounces back.

Bottom line

These two stocks may have had a slump, but both aren't due to anything the companies are doing wrong. Economic tensions have created a lower price that investors should be taking advantage of before these stocks likely burst past the undervalued price, which could absolutely be this month.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:GOOS (Canada Goose)
3. TSX:TFII (TFI International)

PARTNER-FEEDS

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

Category

1. Investing

Date
2025/08/24
Date Created
2019/05/04
Author
alegatewolfe