# 3 Growth Stocks to Buy as the Economy Heats Up

## Description

As the economy continues adding jobs, and with unemployment being very low, things look to be going very well for Canada, despite concerns of a possible slowdown. Below are three stocks investors can buy that will take advantage of a growing economy.



**Canadian National Railway** (TSX:CNR)(NYSE:CNI) is a stock that will see a direct benefit from more production and more growth in Canada, as it'll result in more being transported along its trains throughout the country. Over the past 10 years, CN Rail's stock has soared around 400%, which is well in excess of the 50% returns that the TSX has been able to produce over that time.

In 2018, CN Rail's sales of $14 billion were up 10% year over year, and in 2017 sales growth was more than 8%. Things aren't showing signs of slowing down any time soon with CN Rail's most recent quarter continuing to show sales growth of 11%. The company has been producing some strong results in recent years, and although the stock is near its 52-week high, it looks to be as good a buy as ever.

At a market cap of around $87 billion, it's one of the largest and most stable stocks that you can hold on the TSX. CN Rail will pad your overall returns with a modest dividend that currently yields around 1.6%.

**Alimentation Couche-Tard** (TSX:ATD.B) is another solid growth stock to buy in good times, as it'll mean more consumers coming through its convenience stores. When the economy is going strong, people have a lot of disposable income and are likely to travel more as well. Couche-Tard will benefit from both tendencies with many locations across North America to serve customers, both those that are in need of a pit stop and those that are willing to pay more for convenience.

Couche-Tard has achieved strong growth over the years thanks to key acquisitions, but it has also done so without sacrificing its bottom line, which has more than doubled over the past four years. That's an encouraging sign for a growth stock, as it suggests the company has done a good job of integrating operations and reducing inefficiency along the way.

Like CN Rail, Couche-Tard investors can also benefit from a dividend as well, which, in this case, yields 0.5% annually.

**Air Canada** (TSX:AC)(TSX:AC.B) has performed very well over the years, as the economy has given it a big boost. The airline has benefited from rising business-related travel as well as more vacations being taken. Both numbers will likely continue to increase as long as industries remain strong and produce good growth.

Just this past year, sales for Air Canada were up a remarkable 11% from 2017. And with rival **WestJet** going private, the company could become even more popular with investors and consumers in the future. Air Canada's stock has risen around 70% over the past 12 months, and yet it still trades at a very reasonable 15 times earnings and 3.2 times its book value.

While the stock doesn't offer a dividend, it has produced some incredible results over the years, with its share price rising more than 400% since 2014.

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