



TSX Buying Season: 2 Stocks Carving a Path for a Strong 2020

Description

Will there be a rehash of the 2018 last quarter market sell-off in the fourth quarter of this year? Investors worry about a repetition because of the protracted trade war and slowing global economy.

Market analysts, however, see more room for Canadian stocks to rally until year-end. The release of the inaugural TSX 30 list last month seems to validate their forecasts. According to the TMX Group, the creator of the list, the release is very timely because the Canadian index is trading at near all-time highs.

People need to find out about the growth stocks available but are [flying under the radar](#). Now, retail investors would know that **Cargojet** ([TSX:CJT](#)) and **Summit Industrial** ([TSX:SMU.UN](#)) are some of best investment options heading into 2020.

Top cargo airline

Cargojet, the leading cargo airline in Canada, is number 20 on the TSX 30 list. This \$1.3 billion company posted 166% total return in the last three years. The best way to appreciate this growth stock is to understand the nature of the business and how revenues are generated.

The company provides overnight air cargo service between 14 major Canadian cities every business night. Most customers have pre-purchased guaranteed spaces and weight allocation on the network and a corresponding guaranteed daily revenue amount is paid to Cargojet.

A significant portion of overnight revenues are fixed, but rise and fall depending on the overall level of volume. Also, revenues and shipping volumes are seasonal, with the peak or highest demand occurring in the fourth quarter of each year.

Even if the total operating days in a fiscal year is only 199, Cargojet generates profit year after year. The stock pays a dividend of nearly 1%, but since this is a growth stock, there is a potential upside. Analysts project the stock to climb by 42.5% in the next 12 months.

Top REIT

Summit Industrial is the only growth stock representing the real estate sector. This \$1.51 billion real-estate investment trust (REIT) is ranked number 22 on the TSX 30 with a three-year return of 160%.

The industrial sector is the largest commercial real estate asset class in Canada and this is the focus of Summit. It acquires industrial properties that can potentially deliver the most attractive yields.

To minimize the risk, Summit acquires a broad range of industrial product types and spaces in different markets.

Because of its portfolio diversification strategy, Summit is able to generate solid returns on investment. But the compelling reason to invest in this REIT is that it is a growth stock and [dividend aristocrat](#) rolled into one. Many investors are purchasing the stock for the 4.0% dividend.

As of the last count, Summit has 111 industrial properties in its portfolio. It will continue to make new purchases because of the abundance of acquisition opportunities in major industrial markets.

Quantity of growth stocks

The TSX 30 list contradicts the perception that there is a short supply of growth stocks on the TSX. Each of the 11 sectors has lesser-known names that are growth stocks. Cargojet and Summit Industrial are among the stocks worthy of your consideration.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:SMU.UN (Summit Industrial Income REIT)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/26

Date Created

2019/10/24

Author

cliew

default watermark

default watermark