2 Under-the-Radar Stocks to Lead the Market in 2020!

### Description

Keeping an eye on promising mid-cap stocks can ultimately pay dividends. Not only are they more likely to trade at bigger discounts to their intrinsic value, but many of them are in the very early innings of their growth stories.



Consider **Jamieson Wellness** (TSX:JWEL), and **Cargojet** (TSX:CJT), two wide-moat mid-caps that could be in the top performers' list next year.

## Jamieson Wellness

It's hard to picture multi-bagger gains with a company operating in a business as "boring" as vitamins, minerals, and supplements. It's a commoditized industry, and there's no much economic profit to be had relative to other "sexier" industries.

Amid the rise of cheaper private-label brands, you'd think that a nearly 100-year-old brand like Jamieson would be struggling to retain its dominance in the space.

Millennials aren't that into brand loyalty, which is a significant reason why private-label consumer-packaged good brands have been kicking butt and taking names. Vitamins, minerals, and supplements are just like any other branded packaged good, right?

Wrong. They're a whole different beast entirely.

Why?

When it comes to health and wellness products, you need a brand that you can trust, as not all vitamins are created the same way. Not only does the quality of such supplements vary by brand, but many brands fail to deliver the amount of said vitamin the label promises.

If you've got a vitamin deficiency, the last thing you want to do is risk your health by going for an unknown product to save a buck or two.

Jamieson's green-capped product is unmistakable and has been trusted for many generations as a quality product that doesn't skimp out like its cheaper peers. Thus, despite operating in a largely commoditized industry, Jamieson is able to maintain its wide, impenetrable moat.

As the firm continues to unlock growth from its expedition into China, where Jamieson is a sought-after foreign brand, while continuing to expand its new product lineup, I expect sustained double-digit top-line growth for many years to come.

Add the VMS tailwind into the equation and you've got the formula for a major multi-bagger than many investors may be sleeping on.

## Cargojet

Cargojet is a winner that will keep on winning.

While the company, which provides overnight cargo services, has a market cap of just $1.3 billion, it has a wider moat than most retail investors give it credit for.



It takes a tonne of capital to build a fleet of high-payload jets. And even if a firm had the cash to buy such a fleet, it takes seasoned managers to ensure operations are running smoothly and on schedule.

The firm serves 14 major Canadian cities, and as the rise of e-commerce continues to pick up, so too will the demand for Cargojet's services.

The company recently made the **TSX** 30 top performers' list, and given the industry tailwinds and exceptional stewards running the show, I wouldn't at all be surprised to see the name in next year's list.

At 60 times next year's expected earnings, shares of Cargojet aren't what you'd consider cheap

Given the company's dominant position in Canada's overnight shipping market and the likelihood that the company can continue growing its revenues by 15-20% over the next few years while improving upon its operating margin, the stock as an attractive growth bet for those with a long-term time horizon.

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