3 Stocks on My 2020 Christmas Wish List

Description

The year 2020 is just around the corner, and what better time to go shopping for new investments?

With the new year comes many big milestones for investors, not the least of which being the final few months to make your RRSP contributions for the prior year.

In late 2019, we have a stock market that's hitting all-time highs corresponding with abysmal GDP growth of 0.1%. This party won't last long, but there are a handful of stocks that are positioned to thrive in a future recession–which WILL happen sooner or later.

With that in mind, here are three stocks on my Christmas Wish List for 2020.

Alimentation Couche-Tard

Alimentation Couche-Tard (TSX:ATD.B) is Canada's largest convenience store company. It spent most of the 2010s rapidly rebranding Irving gas stations as Circle K stores, which became extremely popular in Canada.

That story is probably familiar to most Canadian readers. What many don't know is that Alimentation is making huge inroads in the U.S. as well.

According to *CSP Daily News*–a convenience store industry publication–Circle K has a 6.4% market share in fuels the United States, putting it ahead of the most "famous" U.S. convenience store **7-11** and other market leaders like **Speedway.**

Granted, we're talking about *convenience store gas stations* here; if we're talking about gas stations *as a whole*, its market share drops to 2.1%.

However, this is heady progress that Alimentation is making south of the border, and the company's earnings are growing at an incredible pace (24.4% in Q2) as a result.

Algonquin Power & Utilities

Algonquin Power & Utilities Corp (TSX:AQN)(NYSE:AQN) is one of Canada's fastest-growing utility companies, with a huge presence in the United States.

Over the past five years, its shares have massively outpaced both the TSX and the **TSX Utilities Sub-Index**. In fact, the stock has even outpaced **Fortis**, a market-beater in its own right.

Why is Algonquin a good buy heading into 2020?

Recall what I said earlier:

We have a stock market hitting all-time highs while at the same time GDP growth is stalling out. This suggests that a bear market could be on the horizon and in these types of situations, utility stocks tend to fare better than other classes of equities.

Canadian Pacific Railway

Canadian Pacific Railway Ltd (TSX:CP)(NYSE:CP) is Canada's second-largest railway after the behemoth **CN Rail**, and a massive player in the Canadian transportation industry.

CP's earnings history is much more volatile than CNs, with many dramatic upswings and downswings. However, in good quarters, it can grow by extremely impressive amounts.

Since 2001, we've seen Canadian Pacific massively outperform CN, although the former has given investors a more volatile ride along the way.

Right now, railways are seeing slowing revenue thanks to a softening of the economy. Accordingly, there may be a good buying opportunity for CP in the not-too-distant future, after which it will recover as the economy slowly but surely regains its footing.

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