



## 1 Top TSX Stock to Buy for an End-of-Year Rally

### Description

It was the double whammy of the year, maybe even of the decade: a *de facto* trade deal between the U.S. and China that ended almost two years of tensions that dovetailed with a landslide win for the U.K. Conservative Party. The latter development means that fears of an unruly Brexit should have been put to bed, while the “phase one” trade deal should similarly have seen a massive rally in the markets.

And yet there was no big rally, and sentiment has swung back towards uncertainty. European markets had hit resounding highs on China and Brexit strength, only to recede again Tuesday, with U.S. markets similarly flat. The pound also slipped by a percentage point early in the week as the [spectre of a no-deal Brexit](#) resurfaced.

### So much for the relief rally

The fact is that both events were breakthroughs in their own right. But neither gets to the bottom of its own problem. A clearer route to Brexit is only a clearer route to the almost certain turbulence that the U.K.’s divorce from the E.U. will bring in its wake. Meanwhile, “phase one” of a trade deal that might never see a “phase two” has failed to produce the relief rally the markets have long been hoping for.

There are two ways to play the wild ride that will be 2020, however. Investors can go the tried-and-tested route and stick to the usual round of [traditionally defensive asset types](#), such as apartment REITs and utilities. Alternatively, they can try and grow their wealth a little faster, while still packing as much defence as possible for their relatively higher returns on investment.

### Looking for a Santa Rally? Stick with retail

There was a lot of red on the markets midweek. Cannabis has been mixed, with **Aphria**, **Tilray**, **HEXO**, and **Village Farms** all down by single digits, while **Canopy Growth** saw minor gains from several tailwinds but quickly lost them again. Indeed, the pot space is still a stock-picker's market, with only certain companies looking worth the investment this side of the holidays.

Investors seeking a holiday rally and growth throughout 2020 should consider breakout retailer **Aritzia**. The quality fashion retailer is a leader in its field and could see solid capital appreciation in the new year. Aritzia is an especially strong play for a Santa Rally, with its exclusive brands and impressive market share, plus a solid recent track record.

A true Canadian success story, the Vancouver-based design house has grown into a dominant brand since its founding in 1984. Since its IPO in the fall of 2016, the upscale women's clothing retailer has gone from strength to strength, rewarding fashion-conscious investors with almost 20% upside this year.

## The bottom line

While cannabis has seen some tailwinds ahead of the holidays, it may be too little, too late. The pot stock space could really heat up in 2020, though. In the meantime, stock pickers looking for a boost from holiday consumerism might want to stick to top retail companies such as Aritzia.

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