



## My Top 2 Canadian Stocks for 2020

### Description

Things are looking up for investors in the final weeks of 2019. The trade war between the United States and China appears to have reached an armistice, as both sides are preparing to sign a limited trade deal. Economists expect that the removal of tariffs will provide a boost to global growth going forward.

Now is a great time to evaluate what stocks will be well suited for a portfolio in 2020. Today, I want to zero in on two of my favourite picks before the new year. Not only are these companies promising, but they are in industries that look set to rise to new heights in the coming years.

### Savaria

In the beginning of 2018, I'd discussed why investors need to pile into stocks that are poised to gain, as [Canada's demographics undergo a monumental shift](#). By 2031, Statistics Canada forecasts that one in four Canadians will be over the age of 65. The proportion of the elderly relative to the rest of the population is an unprecedented social phenomenon, and the public and private sector will be relied upon to serve this growing demographic.

**Savaria** ([TSX:SIS](#)) is a Laval-based company that designs, engineers, and manufactures products for personal mobility. Shares have climbed 10.7% in 2019 as of close on December 17. The stock has achieved average annual returns of 33% over the past 10 years. Savaria released its third-quarter 2019 results on November 13.

Revenue rose 33.8% year over year to \$96.4 million and adjusted EBITDA surged 57.1% to \$15.7 million. Adjusted net earnings increased 78.8% from Q3 2018 to \$8.1 million, or \$0.17 per share. Not only does Savaria boast a promising growth trajectory, but it even offers monthly income. The company last announced a monthly distribution of \$0.0383 per share, which represents a 3.2% yield.

### Equitable Group

There was considerable worry that the Canadian housing market would suffer a sharp and sustained

decline after the troubles it encountered in 2017. The response was swift in the form of regulatory changes, and the market has bounced back nicely this year. In November, I'd explained why a [housing crash is unlikely](#) over the next decade.

**Equitable Group** ([TSX:EQB](#)) is one of the top alternative lenders currently operating in Canada. Its shares have climbed 89% in 2019 so far. The company performed well in a choppy 2018, and its results have continued to impress as broader conditions have improved in this fiscal year. Equitable Group stock is trading at a premium right now, but the housing market is positioned to continue its positive run in 2020.

In the third quarter, Equitable Group reported adjusted diluted earnings per share of \$3.17, which was up 19% from the prior year. Retail loan principal outstanding rose 23% year over year to \$17.9 billion, as the company reported growth in all retail asset categories. Deposits rose 16% to \$14.9 billion.

The board of directors announced an increase in its quarterly dividend to \$0.35 per share. This now represents a modest 1.2% yield. Equitable Group is a pricey addition right now, but I like it to ride the momentum of the broader market in the early part of the next decade.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. TSX:EQB (EQB)
2. TSX:SIS (Savaria Corporation)

## PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
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