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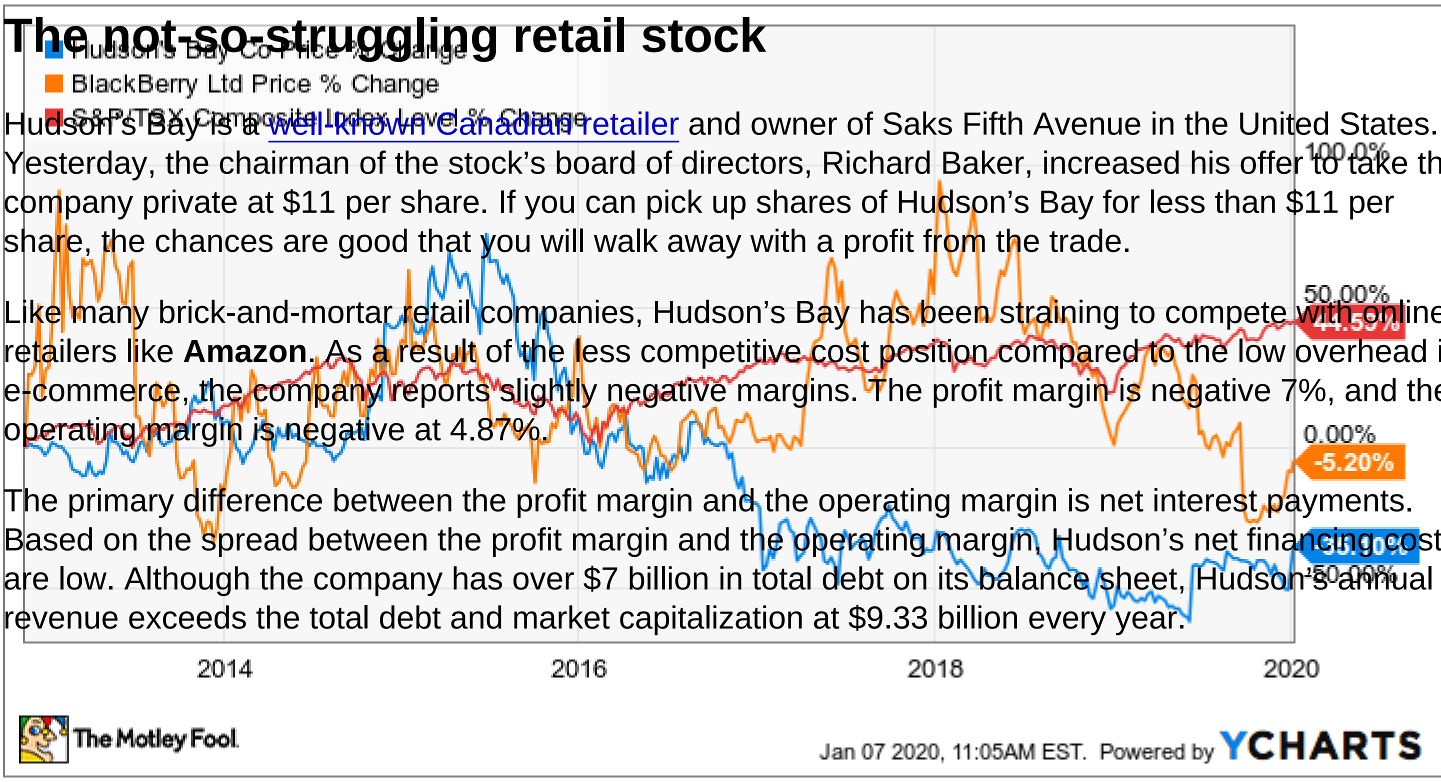
Canadian Stocks to Buy: 2 TSX Market Movers in January

Description

You only need one thing to save for retirement and grow your personal wealth: a long-term mindset. Other than that, you just need the confidence to pick out stocks to buy every month. If you dedicate only $100 every month to stock purchases in a Tax-Free Savings Account (TFSA) or Registered Retirement Savings Plan (RRSP), you will quickly add your name to the list of TFSA millionaires in Canada.

There are two **Toronto Stock Exchange** (TSX) market movers that you should add to your list of stocks to buy in January if you want to take the first step toward financial independence: **Hudson's Bay** (TSX:HBC) and **BlackBerry** (TSX:BB)(NYSE:BB).



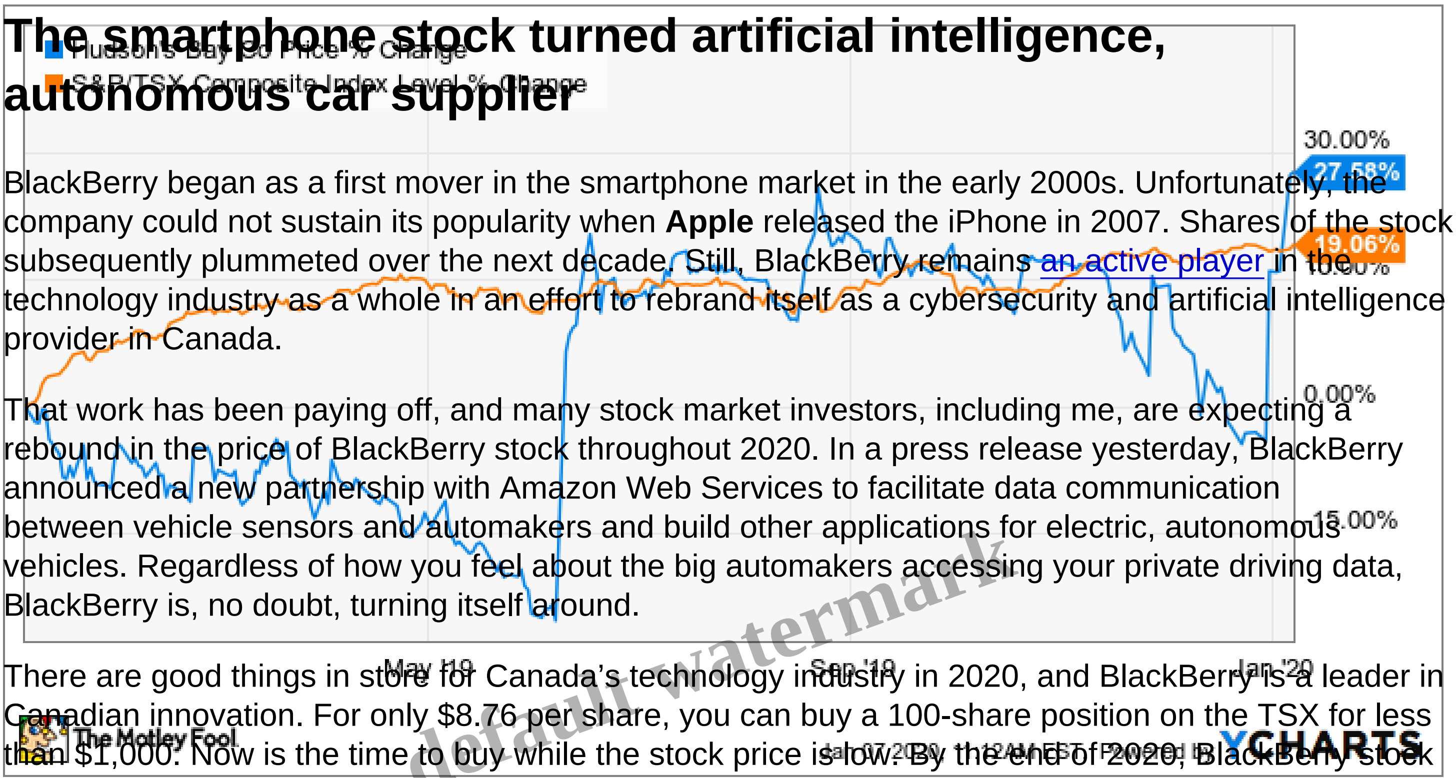
The not-so-struggling retail stock

Hudson's Bay is a well-known Canadian retailer and owner of Saks Fifth Avenue in the United States. Yesterday, the chairman of the stock's board of directors, Richard Baker, increased his offer to take the company private at $11 per share. If you can pick up shares of Hudson's Bay for less than $11 per share, the chances are good that you will walk away with a profit from the trade.

Like many brick-and-mortar retail companies, Hudson's Bay has been straining to compete with online retailers like **Amazon**. As a result of the less competitive cost position compared to the low overhead in e-commerce, the company reports slightly negative margins. The profit margin is negative 7%, and the operating margin is negative at 4.87%.

The primary difference between the profit margin and the operating margin is net interest payments. Based on the spread between the profit margin and the operating margin, Hudson's net financing costs are low. Although the company has over $7 billion in total debt on its balance sheet, Hudson's annual revenue exceeds the total debt and market capitalization at $9.33 billion every year.

Hudson's Bay isn't overly indebted; the company's leadership prefers low-cost debt to a high market capitalization. For a firm that can get cheap financing like Hudson's Bay, there is little incentive to remain publicly listed on the TSX.

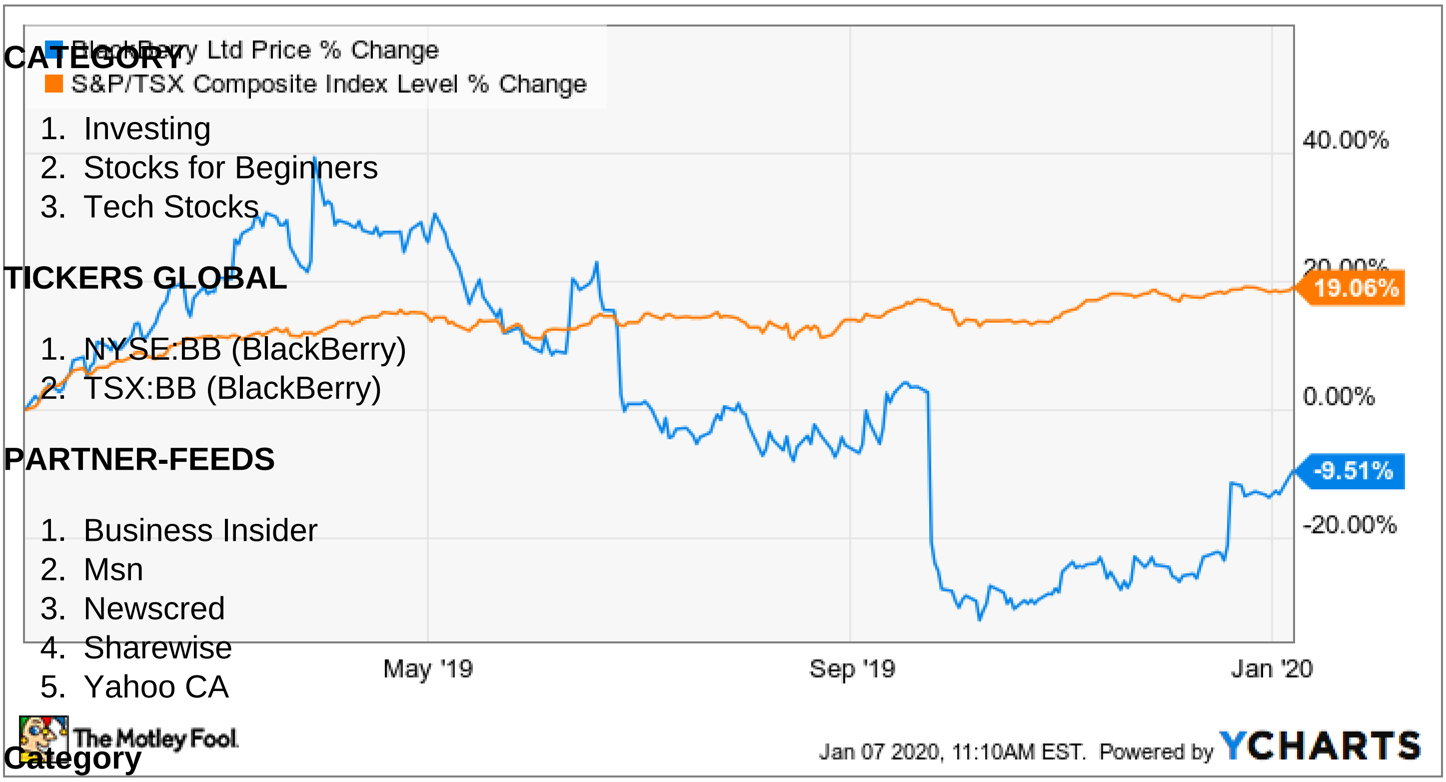


The smartphone stock turned artificial intelligence, autonomous car supplier

BlackBerry began as a first mover in the smartphone market in the early 2000s. Unfortunately, the company could not sustain its popularity when **Apple** released the iPhone in 2007. Shares of the stock subsequently plummeted over the next decade. Still, BlackBerry remains [an active player](#) in the technology industry as a whole in an effort to rebrand itself as a cybersecurity and artificial intelligence provider in Canada.

That work has been paying off, and many stock market investors, including me, are expecting a rebound in the price of BlackBerry stock throughout 2020. In a press release yesterday, BlackBerry announced a new partnership with Amazon Web Services to facilitate data communication between vehicle sensors and automakers and build other applications for electric, autonomous vehicles. Regardless of how you feel about the big automakers accessing your private driving data, BlackBerry is, no doubt, turning itself around.

There are good things in store for Canada's technology industry in 2020, and BlackBerry is a leader in Canadian innovation. For only $8.76 per share, you can buy a 100-share position on the TSX for less than $1,000. Now is the time to buy while the stock price is low. By the end of 2020, BlackBerry stock will have caught up to the price performance of the **S&P/TSX Composite Index**.



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