
2 Smoking-Hot TSX Stocks to Buy in February 2020

### Description

Any stock with a high double-digit growth rate in annual earnings would capture the notice of serious investors. However, the two stocks we will be discussing here can potentially achieve this feat within a few months, which is why they should be on your TSX portfolio radar for February.



The two big market movers we are here going to talk about are **Aritzia** (TSX:ATZ) and **Enbridge** (TSX:ENB)(NYSE:ENB).

## Aritzia

2020 had an incredible start for Aritzia — the women's fashion and retail company. Its stock jumped from $19.05 at the end of the last year to $25.03 at the time of this writing. This gain of nearly 30% was propelled by an increased investor's confidence in the company, as analysts predict high sales growth of 12.6% to $984.2 million in 2020 and 14.3% to $1.12 billion in 2021.

Since the company went public in 2016, its net income has nearly tripled from $32.37 million to $87.6 million by Q3 2020. The company has attributed its growth in sales and income to its increasing brand reorganization.

Some investors may be reluctant to invest their hard-earned money in a luxury brand, as they tend to be volatile to market trends. However, Aritzia has secured for itself a loyal brand following and never had to close any of its boutiques in the entire 35 years of its operations.

The fashion company is also investing heavily in its e-commerce business and refining and regularly updating its marketing strategies to ensure better client engagement and retention.

Thanks to its growing brand awareness, expansion of its retail network in prime locations, and an excellent past track record in performance, analysts predict the company's earnings to rise at an annual rate of 14.5% in the next five years. With a forward P/E of 23.39, its stocks are still relatively fairly priced, given its potential growth prospects.

## Enbridge

By market cap, Enbridge is the third-largest stock on the S&P/TSX Composite Index. For the past few months, the energy infrastructure giant has seen an appreciative increase in its share value, with it rising from $43.35 in mid-August 2019 to $54.33 at the time of this writing.

This momentum has been built on the back of strong earnings and the implementation of a more favourable regulatory environment. The company has achieved consistent increases in its dividends for the past two decades, and the present yield rate is a nice 6%.

As the largest pipeline operator in North America, the company can dictate the terms in which it charges for its service. By charging based on volume and not a commodity, Enbridge is mostly shielded from the high volatility that is the norm for companies operating in the energy sector.

With both its yield and stock appreciation taken into account, you are likely to benefit from a double-digit upside by investing in this stock. While the stock is relatively overpriced with a forward P/E of 20.58, its share value is likely to pick up pace as the energy sector recovers steam.

## Summary



Both Aritzia and Enbridge are excellent passive-income vehicles that you can invest in. Both are poised for high growth this year and are likely to present nice upside to their investors.

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2. TSX:ATZ (Aritzia Inc.)
3. TSX:ENB (Enbridge Inc.)

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