



Got \$12,000? Buy These 3 Stocks Right Now

Description

If you've got \$12,000 aside but don't know what to do with it, you could invest it in stocks that have good long-term prospects.

CGI Group ([TSX:GIB.A](#))([NYSE:GIB](#)), **Aritzia** ([TSX:ATZ](#)), and **Cronos Group** ([TSX:CRON](#))([NASDAQ:CRON](#)) are three growth stocks that will [help you grow your money](#). Buying 100 shares of each of these stocks will cost you roughly \$12,000.

CGI Group

CGI is the largest IT services company in Canada with international activities in systems integration, consulting, and business process outsourcing.

CGI's share price plunged along with the rest of the market in late February and mid-March. The stock lost about a third of its value over that period, which is typical of technology stocks.

While the stock is still 20% off its record of \$114.49 set at the end of January, it's a good buy on the dip. CGI has managed to increase earnings at a compound rate of approximately 10% per year over the past five years.

The stock is trading at about 17 times earnings. Earnings forecast for 2020 is about 2% year-over-year growth. There are not many companies that will be able to increase their earnings at all. So if CGI succeeds, it will be quite an achievement.

CGI released fiscal 2020 second-quarter results on April 29, beating profit estimates with adjusted EBIT of \$483.2 million, up 6.4% from the previous year. Revenue was in line at \$3.13 billion, up 2% year over year. Net earnings were \$1.26 per share.

Management said the company's diverse mix of essential service businesses is helping CGI through the COVID-19 era, which has impacted customer demand.

CGI's stock is trading around \$90.

Aritzia

Aritzia has a unique business model and has been able to retain exceptional loyalty from its clients in the midst of a pandemic.

At the end of 2020, Aritzia was already making 23% of its sales online, but the store closings on March 16 boosted sales by 150%.

The company expects net revenue for the three months ending May 31 to fall about 45% to between \$105 million and \$110 million as compared to a year ago.

While the merchant is taking steps to reduce certain expenses, it still plans to open 6 to 7 stores and reposition three or four other businesses in 2021.

Aritzia decreased inventory by 16% and ordered fewer items for its fall/winter collections. However, it has the flexibility to increase these orders if demand rose.

The retailer's financial position is solid, with liquidity of \$102 million. The company also drew \$100 million from its line of credit.

Analysts forecast sales to plunge by 14.4% to \$840 million for fiscal 2021. But strong growth of 32.2% to \$1.1 billion is expected the year after. Earnings are expected to fall by 95.4% to \$0.04 per share in 2021, while they are estimated to soar by 2,375% to \$0.99 the following year.

Aritzia's stock is trading close to \$20 at writing.

Cronos Group

Cronos is a cannabis stock with lots of potential. Raymond James analyst Rahul Sarugaser thinks Cronos could be the **Apple** of [pot stocks](#).

Sarugaser compared Cronos to the development of Apple in the 1970s after the cannabis company posted its first-quarter results on May 8.

Cronos' 2020 first-quarter revenue increased by 181% to \$8.4 million as compared to 2019's first-quarter. The year-over-year increase is mainly due to the continued growth of the adult-use Canadian cannabis market, sales resulting from the launch of cannabis vaporizers in the Canadian market, and the inclusion of the Redwood acquisition in its financial results.

Sarugaser expects the cannabis grower to dominate the marijuana market with its technology and intellectual property.

He cited Cronos' partnership with Ginkgo Bioworks, which successfully designed its first set of organisms to produce cannabinoids by biosynthesis. This biosynthetic technology could propel Cronos to the forefront of the cannabinoid consumer product space in perhaps only two years.

Cronos has a significant amount of cash in the books. It ended the first quarter of 2020 with US\$1.128 billion in cash and cash equivalents.

Cronos' stock is trading around \$10 per share at writing.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CRON (Cronos Group)
2. NYSE:GIB (CGI Group Inc.)
3. TSX:ATZ (Aritzia Inc.)
4. TSX:CRON (Cronos Group)
5. TSX:GIB.A (CGI)

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