



3 Top Canadian Retail Stocks to Buy Now and Hold Forever

Description

Some of the biggest names on the stock market started off fairly innocuously. Who can say what the big names of the 2030s, the 2040s, or even the 2050s will be? Going super long requires two things: wide financial horizons and good instincts. While investors might not be able to do too much about the former characteristic, being able to spot a “forever stock” needn’t be any more complicated than identifying quality.

When luxury stocks also equal quality

On the face of it, **Canada Goose** ([TSX:GOOS](#))([NYSE:GOOS](#)) may not look like a stock to buy and hold. It’s not a bank or a utilities company. It doesn’t pay a dividend. It’s also a retail stock, which makes about as much sense in 2020 as training wheels on a unicycle. But Canada Goose is also a fashion icon. It’s the **Ferrari** of jackets. It’s a status symbol and a major Canadian success story.

Canada Goose isn’t necessarily the sort of stock that one might plan to retire on. But I would argue that this is a name with years of share price appreciation ahead of it. With earnings estimated to grow by 42% annually, the consensus agrees that Canada Goose is a growth stock with plenty of potential. And while that P/E of 29 looks high, it still undercuts the luxury industry average.

Going long? Buy what you know

Canadian Tire ([TSX:CTC.A](#)) is another strong retail name, and — yes — another company that’s patriotically branded! Canadian Tire has a lot of things going for it, from diversified assets to a reliable dividend that yields 3.7%. This name is looking at annual earnings growth in the 30% range. On top of that, it also trades at a 50% discount off its fair value.

Throw in a defensive market share that has [warded off the worst of the pandemic](#) and you have a stock to buy and hold. Canadian Tire was already looking like a buy pre-pandemic thanks to a hybrid model of e-commerce and brick-and-mortar shopping. This flexibility stood Canadian Tire in good stead during the pandemic, and the company has what it takes to build into a recovery.

When investors are looking for stocks to [hold for the super long term](#), it helps to buy names that are familiar. Understanding a business can help an investor to hold onto shares even when the market is bucking like a mule. For this reason, stocks like **Loblaw Companies** ([TSX:L](#)) can be solid choices for diversified plays on familiar brands. Let's look at the case for buying.

Loblaw is effectively both a brand and an umbrella of brands all in one stock. It's not necessarily that well known that Loblaw, Shoppers Drug Mart, Joe Fresh, No Frills, and President's Choice all come under the same banner. But it's a useful fact for investors seeking strong stocks to carry with them deeper into the 21st century. A reliable 1.8% dividend yield and resilient 12-month share price round out the reasons to buy.

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1. Dividend Stocks
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TICKERS GLOBAL

1. NYSE:GOOS (Canada Goose)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:GOOS (Canada Goose)
4. TSX:L (Loblaw Companies Limited)

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