New Bull Market Begins: 2 Stocks to Buy Now

Description

Stocks continue to soar higher. Some investors worry about the latest dip, but the 2020 bull market has been quite the ride.

It's always time to put more money to work, especially if you have an investing horizon of five years or more. Take a look at former market peaks. Even if you bought at the very top, holding for the long term would have turned a profit.

Whether or not the latest bull market continues, some stocks will rise higher and higher. The two picks below can thrive in any market environment. If the stock market is also strong, the gains could be immense.

Buy this brand

Canada Goose (TSX:GOOS)(NYSE:GOOS) is a venerable brand. It's been around for more than 60 years. Founded in Toronto, the company is now world famous for its $1,000 jackets. These garments are fashion statements but also proven tools. The company's expedition parka, for example, is designed for scientists in Antarctica.

Brands like Canada Goose don't go away overnight. Bear markets and bull markets will influence the short-term stock price, but over time, respected brands typically *increase* in value. That's essentially the business model of **VF Corp**, which has slowly acquired high-margin brands like The North Face, Smartwool, Vans, and Timberland.

It won't surprise you to learn that Canada Goose stock suffered during the COVID-19 crash. Retail sales around the world collapsed, particularly in China, which was primed to be the company's biggest growth market. Over the past 12 months, shares are down roughly 30%.

The recent bull market has pumped shares higher, however. The stock is up 17% over the last 90days. Still trading at *half* its typical valuation multiple, Canada Goose is priced as a bargain, eventhough retail spending (especially in China) continues to tick higher.

The best bull market stock

Air Canada (TSX:AC) is the most aggressive stock you can buy if you think the market surge will continue.

Like every other airline in the world, Air Canada was crushed when COVID-19 hit. Shares remain 60% below their pre-pandemic highs.

The biggest barrier has been passenger volume, which is still 95% lower than 2019. With high fixed costs, this is a recipe for disaster. Last quarter, Air Canada lost $1.7 billion. The quarter before that, it lost $1.1 billion.

This equation also runs the other way. High fixed costs mean losses rack up quickly when demand dips. But when demand rises again, profits materialize rapidly, catching the market off guard.

If COVID-19 fears remains a permanent feature of society, this is not the stock to own. If the latest bull market presages a return to normal, however, many airline stocks will prove huge bargains. A bet here is all about your risk tolerance.

Right now, expectations are still low. The airline industry believes it'll take three to five years before passenger traffic returns to normal, but over that time, many carriers will exit the market. Incumbents like Air Canada may fight over a smaller pie but command a much bigger market share.

Think the bull market will continue? Airline stocks are a leveraged bet.

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