



Will Canada Goose (TSX:GOOS) Skyrocket As We Approach Christmas?

Description

Canada Goose ([TSX:GOOS](#))([NYSE:GOOS](#)) stock is on the rise. Over the last six months, shares are up more than 60%.

In some ways, the surge was predictable.

“Canada Goose is the best stock pick of the decade,” I [wrote](#) in April when shares were at their lowest. “Now trading at a 70% discount to its typical valuation, this stock could triple in price simply through a return to normalcy,” I concluded.

The rise may not be over. This stock has a permanent competitive advantage, plus massive growth opportunities in the biggest luxury market on the planet.

As we approach Christmas, this stock could continue rising.

I love this story

Despite what its name suggests, the future of Canada Goose won't be in Canada. This company is all about international opportunities.

To be sure, Canada gave this business its start. Right now, nearly 5% of the country owns one of the company's jackets. Canada alone composes one-third of total sales, with the U.S. accounting for another third.

The final third is considered “rest of world.” That's mostly a collection of countries in Europe and Asia. One opportunity in particular stands out: China.

China is the biggest luxury market in the world. It has more potential customers than the U.S. and Canada combined. There are other lucrative markets like Japan and South Korea, but Canada Goose can triple in size solely based on Chinese customers.

When I wrote in April that Canada Goose was the best stock pick of the decade, it was with Chinese growth in mind.

“The coronavirus pandemic has put a large damper on Asian growth prospects. But make no mistake: consumption in Asia will continue to surge following the crisis,” I explained.

As we’ll see, exactly that is happening right now.

Time to buy Canada Goose stock?

While this story took a pause in 2020, it looks like the long-term growth tailwinds are kicking back in.

“Canada Goose is getting a boost from China, which has been more successful in containing the virus and turned into one of the few bright spots of the world economy,” [reported Bloomberg](#) earlier this month. “Direct sales in China, where the company is already adding four new stores this fiscal year, climbed more than 30%.”

As we approach Christmas, the company’s products could be a perfect choice for our COVID-19 world.

“With COVID-19 cases flaring in Europe and North America, the brand may benefit from an increased push to stay outdoors as consumers use their porches and yards well into the winter,” concludes *Bloomberg*.

After the recent surge, Canada Goose stock is no longer obviously cheap. But that shouldn’t deter you from making a long-term commitment. Shares were never meant to generate a fortune in a single year. This is a story that will continue for another decade.

There’s a good chance that the stock continues its winning streak through the rest of the holiday season. It’s just too easy to connect the dots. Just remember: the biggest gains will be had by those that remain patient holders.

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