



Canadian Stocks: 2 Consumer Staples to Buy for 2021

Description

Throughout the pandemic, we have seen certain trends form. This is especially noticeable with consumer habits due to a lot of pandemic restrictions. One of the most promising opportunities for investors is with consumer staple stocks, which continue to see strong sales and market share growth.

This is promising for long-term investors because not only are these companies seeing impressive growth now, but they are great long-term businesses. Furthermore, these are the ideal businesses you would want to own during poor economic conditions like we're seeing now.

So with another quarter of strong sales growth, these stocks are confirming what shareholders have known all along. They are some of the top long-term investments you can make today.

That's why all investors should have some exposure to these high-quality, rapidly growing consumer staples. These stocks have a strong opportunity to carry market share and sales momentum forward even after the pandemic, which is why they represent such strong investments.

Plus, because they continue to grow their operations consistently, both of these stocks are dividend aristocrats, some of the best investments you can make.

Rapidly growing consumer staple

The first high-quality consumer staple stock that smashed earnings recently was **Dollarama Inc** ([TSX:DOL](#)).

Dollarama always gets a natural boost to sales from recessions, but this year, that's been even more apparent. In regular years, consumers turn to Dollarama during recessions to save some cash on household staples that are necessities. When incomes fall in a recession, one of the easiest ways for consumers to do something about it is to slow down their spending.

This is how Dollarama has grown to be so popular over the years. It's used its incredible merchandising to capitalize on all the shoppers coming through its door.

That strategy has been extremely impressive over the years, but this year it's been essential. With restrictions limiting activities like going to the movies, traveling, or eating out at restaurants as much as we used to, consumers find new ways to spend their discretionary incomes.

That means that in addition to the regular boost [Dollarama](#) gets from recessions, this year, it's seeing even more sales as consumers come in looking for holiday decorations.

Whatever the opportunity is, Dollarama seems to always capitalize on it. That's why in addition to being such a reliable consumer staple, Dollarama is also one of the top long-term growth stocks.

Highly resilient consumer staple stock

Another consumer staple stock that's been extremely strong through the pandemic has been **The North West Company Inc** ([TSX:NWC](#)).

North West offers slightly less long-term growth potential than Dollarama. However, it makes up for that by having extremely reliable business operations and paying investors an attractive dividend. That dividend yields over 4% today, making it ideal for investors looking to earn more [passive income](#).

North West has been rapidly improving its business for years. The consumer staple stock has done things such as sell non-core assets to make its operations more efficient. It's also vertically integrating the business, bringing its own freight airline and aircraft maintenance business in-house.

This integration not only helps make the economics of the business better and improve costs; it also gives North West a logistical advantage over the few competitors it has in the remote regions it operates in.

The company has severely improved its business in the last few years, and now, through the coronavirus pandemic, it's gaining a tonne of market share. So if you're an investor looking for a resilient stock that will offer you a growing dividend, then North West is the stock for you.

Bottom line

Consumer staples is one of the most reliable industries you can invest in. So whether the stock is a high-growth business like Dollarama or a passive income generator like North West, having exposure to the consumer staples sector is something every investor should consider.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:DOL (Dollarama Inc.)
2. TSX:NWC (The North West Company Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
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