



New Year Buys: 3 Stocks to Build Wealth in 2021

Description

2021 is just around the corner ... and what better time to re-evaluate your investments? The new year comes with a number of financial milestones:

- New TFSA space
- The final few months to make last year's RRSP contributions
- Tax season
- And more

Any one of these “milestones” would be a good reason to take a look at your portfolio. When you've got several of them in one quarter, it's a no brainer.

If you're like most investors, you'll be making new RRSP and TFSA contributions at the start of 2021. So, you'll have fresh new money to invest and put to work for you. With that in mind, here are three great stocks to build wealth with in 2021.

CN Railway

Canadian National Railway ([TSX:CNR](#))([NYSE:CNI](#)) is a Canadian railway stock that chugged through COVID-19 without a scratch. As of this writing, it was up 18% for the year — better than the average TSX stock. As a business, CN did take some damage because of the pandemic. Its first quarter was solid, with earnings up 31% year over year, but the two subsequent quarters saw [year-over-year earnings declines](#). Investors bid up the stock anyway.

Why is that?

Well CN Railway is an ultra-reliable (if cyclical) stock that has successfully weathered every major recession of the 20th and 21st centuries. In the fourth quarter, we're already seeing CN's [car loads and RTMs](#) rising on a year-over-year basis. That makes it a solid pick for 2021.

Alimentation Couche-Tard

Turning now to a stock that didn't fare so well amid the pandemic, we have **Alimentation Couche-Tard** (TSX:ATD.B). It's only up 6.5% for the year, most likely because of weak fuel sales. In its most recent quarter, ATD's gasoline sales fell 15%. That's mainly because COVID-19 has taken a bite out of demand for gasoline. However, ATD.B does more than just sell gas. In addition to being a gas station, it's also a convenience store. And its merchandise sales are actually on the rise. In the second quarter, merchandise sales rose 6.3% and earnings rose 32% year over year. It was a solid quarter for the company, yet the markets were ho-hum on the stock. This might be a great time to load up on ATD.B stock before it rallies in 2021.

Canadian Tire

Canadian Tire ([TSX:CTC.A](#)) is a diversified Canadian retailer. Its flagship store sells miscellaneous car parts, construction tools, and outdoor sporting gear. It also owns clothing stores like SportCheck and Mark's, as well as the clothing brand Helley Hansen.

Canadian Tire staged an impressive, fast turnaround in 2020. In the first quarter, its stock plummeted on weak fuel sales and closed retail stores amid the pandemic. Later, though, the stock began to recover thanks to the economic re-opening. At one point, it reported that its e-commerce sales were up 400% year over year. In its most recent quarter, sales were up 18.5% and normalized EPS was up 42.5%. It was a solid quarter, and performance like this will continue as the pandemic wanes due to the ongoing vaccine rollout.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CNI (Canadian National Railway Company)
2. TSX:ATD (Alimentation Couche-Tard Inc.)
3. TSX:CNR (Canadian National Railway Company)
4. TSX:CTC.A (Canadian Tire Corporation, Limited)

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