



Roaring 20s: 2 Canadian Stocks Could Surge Over the Next Decade

Description

If you've tuned into the mainstream financial media lately, you've probably heard a thing or two about the roaring '20s. The horrific pandemic has kept many people locked down, with few things to spend discretionary income on. Lockdowns have been tough on us all. And once the insidious coronavirus is conquered, a lot of us deserve to splurge a bit to make up for the terrible, tragic start to this decade.

According to a recent report conducted by economists at **CIBC**, Canadian households have been stockpiling record amounts of cash: about \$100 billion in extra savings that could spark a post-pandemic discretionary spending boom.

The roaring 20s: A discretionary spending boom could give a lift to high-end Canadian retailers

In numerous [prior pieces](#), I noted that such a spending boom would likely occur in early-2022, once safe and effective vaccines had a chance to end the pandemic and that hard-hit discretionary stocks like **Canada Goose Holdings** ([TSX:GOOS](#))([NYSE:GOOS](#)) and **Aritzia** ([TSX:ATZ](#)) were [among the best buys](#) to play the spending boom, or the "roaring '20s" that could mirror the environment experienced around a century prior.

Both Canada Goose and Aritzia stock have already blasted off, surging 170% and 180%, respectively, off their March 2020 depths. I think each name has more room to run as we inch closer to the end of this pandemic and towards a spending boom, the likes of which we may not have witnessed in decades.

Without further ado, let's have a closer look at luxury parka maker Canada Goose and fast-rising upscale woman's clothing retailer Aritzia to see which, if either, stock is on the bargain rack at this critical market crossroads.

Canada Goose

Canada Goose has been flying higher into the end of 2020 after getting pummelled alongside everything else back in the vicious 2020 coronavirus stock market crash. The stock recently broke above its 2020 high and could be ready to make a run for all-time highs of \$92 and change, a level not seen since late 2018.

I've praised the luxury parka maker for having built incredible brand power with minimal marketing spend. The Canada Goose brand isn't just a powerful Canadian brand; it's a force to be reckoned with on the international stage, thanks in part to big-name celebrities who've dawned the outerwear under the spotlight of Hollywood.

I can't say enough good things about the management either. Dani Reiss is one the most brilliant leaders out there, but not even he could steer his firm clear of the COVID-19 crisis. As the world heals and people become more willing to spend money on discretionary goods, Canada Goose could make up for lost time. The Goose has perfected the omnichannel retail and will be ready for consumers once they're ready to loosen up the purse strings.

Aritzia

Aritzia is another fashionable firm that's had great success with its expansion beyond the confines of Canada. Unlike the Goose, Aritzia hasn't had the same opportunity to chance spread its wings at the international level. The firm's U.S. expedition is nothing short of encouraging, and the affinity for the brand has undoubtedly been more robust than expected.

Like the Goose, Aritzia is capable of firing on all cylinders, both online and offline, once the pandemic subsides. The e-commerce business experienced incredible momentum through the fiscal 2021 third quarter, with nearly 80% worth of year-over-year growth.

With better-than-expected resilience amid this pandemic, I'd urge investors to consider initiating a position now rather than waiting for the pandemic to end.

The e-commerce platform can keep the Aritzia ship afloat through another several waves of COVID-19. And once people feeling safer heading back to shopping malls, with extra disposable income to put to work, I think Aritzia could really take its growth to the next level, and the stock's price of admission will likely have expanded to unthinkable heights.

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2. TSX:ATZ (Aritzia Inc.)

3. TSX:GOOS (Canada Goose)

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