



Retail Meme Stocks Are Surging! Here's 1 TSX Retailer to Buy Right Now

Description

Retail investors are having their way with the markets right now. Indeed, the surge in Reddit-inspired, social media-savvy investors has taken certain stocks on unbelievable parabolic moves. Whether it's because these were attempted [short squeezes](#) or not doesn't really matter for those holding onto these stocks at massive gains.

In Canada, such retailers have generally flown under the radar. That said, I think **Canadian Tire** ([TSX:CTC.A](#)) is a great pick, regardless of whether it catches an updraft from these market movements.

Here's more on why I think Canadian Tire is a great holding right now.

Earnings tell most of the story

Canadian Tire has been surging of late, but not because of its meme stock status. In fact, this is a stock that most investors wouldn't even consider in the meme stock discussion.

Rather, the company's impressive results during the pandemic have inspired investors to jump in. The company's most recent earnings results were stellar. How stellar?

Well, the company's CEO referred to them as "phenomenal" and "record breaking." I think that's true, especially considering the state of the economy and the lockdowns imposed.

Canadian Tire was able to generate such impressive growth primarily via its e-commerce segment. In fact, e-commerce sales grew at an absolutely mind-boggling 179% this past quarter, on a year-over-year basis. The pandemic has certainly accelerated the company's growth in this regard. A rather cold winter has probably also helped boost some seasonal items. But, adjusted for everything that went down this past year, these results are incredible.

Resurgence in brick-and-mortar retail likely

Much of the reason the Reddit mob has piled into retailers of late is due to the perception things are going to go back to normal. We'll all be visiting our favourite stores, catching a movie, and eating at our favourite restaurants soon. Various brands these investors like have been viewed as being unfairly beaten up by the market. Making a few short-sellers lose money along the way also seems like an honourable goal.

Indeed, I have to agree that a certain percentage of Canadian Tire's recent e-commerce outperformance is a short-term phenomenon. Indeed, eventually consumers will revert back to old habits and use e-commerce less often than in the past year. While some e-commerce traction has been gained, it's hard to say at this point how much will be sustainable long term.

That said, these numbers don't lie. Canadian Tire is a brand Canadians love, and will continue to love long term.

Meme status or not, it's a great company.

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TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)

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