



## Can Meme Stock Investors Take This TSX Stock Parabolic?

### Description

Amid the [chaos of the pandemic](#), **Empire Company** ([TSX:EMP.A](#)) has undergone considerable expansion. Over the past year, Empire's earnings grew by more than 34%. The company is all set to seal a \$357 million deal by buying 51% of Longo's grocery chain store and Grocery Gateway. As a result, Empire has the potential to become another popular retail stock for meme stock investors to focus on.

The addition of 36 Longos stores to Empire Group's retail portfolio can be accredited to grocery retailers' performance during this pandemic.

In fact, I believe that down the line, more Reddit-savvy investors could be drawn towards this stock for more than one reason.

### The unbeatable tale of grocery retailers

Unlike mall-based retailers, grocery retailers have managed to sustain the blow of a pandemic market. These stocks have continued to trade higher in a step-ladder-like way in recent months. There hasn't been the parabolic move in grocery retail we've seen in sectors like fashion retail. However, this safety ought to be highly valued right now by investors.

Recently, retail trading has also surged in Canada, like in the United States. This surge has provided a nice boost to retailers that have been beaten up by the pandemic. While grocery retail has largely been exempt, there's reason to believe these stocks could continue to outperform in the expected economic expansion coming out of this pandemic.

Additionally, I think Empire's effort in making [key acquisitions](#) in the retail segment has given it an upper-hand over other meme stocks with weaker growth prospects.

### To retail or not to retail?

Judging by Empire's investment approach, it appears the company believes now is the best time to acquire retailers. Besides adding 36 stores to its portfolio, this company also reeled in the second major player from the e-commerce grocery venture segment, Grocery Gateway. The e-commerce portal has a reach of over 70,000 customers.

Plus, with the launch of Voila, Empire has been proactive in investing in e-commerce. As of January 30, 2021, this company's online sales rose by a sharp 315%. I think such an impressive outcome will continue to garner seasoned investors' attention that is usually wary of most meme stocks.

This retail segment's phenomenal performance has put companies like Empire and its investors on the same page. As a result, I believe this acquisition may prompt a bullish trend in the grocery retail segment.

## Bottom line

At this point, I think Empire's move to acquire Longos is quite interesting. This move further diversifies Empire's portfolio, and increases the company's e-commerce presence.

I think investors looking at options in the retail space would be well served by taking a look at grocery retailers like Empire right now. Yes, other retailers might have more cachet right now. However, long-term investors seeking stability can't do much better in the retail segment than Empire right now.

Empire provides growth and stability which should not be discounted. Accordingly, I think this non-meme stock should be given priority over its retail peers with all the buzz today.

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1. Coronavirus
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