



1 Top TSX Retail Stock Flying Under the Radar Today

Description

Meme stock investors tend to be focused right now on highly leveraged bricks-and-mortar retail plays. Indeed, these Reddit-inspired investors have taken some **TSX** stocks on incredible parabolic routes. However, stocks like **Canadian Tire Corporation** ([TSX:CTC.A](#)) seem to continue to fly under the radar for some reason.

Here's why this stock is definitely [on my radar](#) right now, irrespective of its position amid current market dynamics.

Let earnings do the talking

Even seemingly without the meme stock tailwind, Canadian Tire has been surging throughout the pandemic and continues to do so this year. In fact, I'd argue this long-term growth stock in the retail space has its own set of fundamental growth catalysts that make the meme stock surge moot.

It appears that many Canadian investors agree with this sentiment.

In recent years (prior to the pandemic), Canadian Tire was in hot water due to its heavy investment in what was viewed as an inferior e-commerce platform. The company continued to expand its offering, and I wrote continuously about the long-term benefits of this omnichannel strategy.

Fast forward to 2020, and these investments certainly make Canadian Tire's management team look very smart. The company's impressive earnings throughout the pandemic are a direct results of these investments. A whopping 179% growth rate in Canadian Tire's year-over-year revenue attributed to e-commerce highlights this fact.

The fact that Canadian Tire was able to more than offset declines in foot traffic in its physical stores due to its e-commerce strength is notable. For long-term investors, it's important to consider companies that are investing the money up-front for long-term growth. Canadian Tire is one of the best retailers in this regard.

The long-term prospects of Canadian Tire remain strong. The company launched a new loyalty program by the name of Triangle, which has started contributing to its success. Investors will also note the company's success in moving to exclusive private label brands, which will accelerate its growth even further.

Bottom line

I remain very bullish on Canadian Tire as a long-term retail holding. It's not a sexy play by any means. However, this company sure does have strong fundamentals and a management team that knows what they're doing.

Yes, the incredible e-commerce growth we've seen of late may be a short-term phenomenon. However, Canadian Tire is a brand that Canadians love, and its popularity among consumers is not going to fade, even if they return to their old offline shopping ways.

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Date

2025/08/18

Date Created

2021/04/22

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