



Forget Meme Stocks: Buy This Top TSX Retail Stock Instead

Description

The meme stock surge we've seen play out this year is unlike anything anyone expected. Indeed, seeing parabolic spikes across certain beaten-up sectors has made a select few investors very rich. Retail stocks have been among the most sought-after investments of late.

This makes sense, sort of. As the pandemic winds down and vaccinations wind up, it's easy to make the case that retail stocks will boom. However, I think some retail stocks are better than others.

With Canadian retailers largely removed from the meme stock mania, I think an intriguing opportunity exists to get some of this meme stock upside at a discount. Accordingly, one of the retail stocks that's on my radar right now is **Aritzia Inc** ([TSX:ATZ](#)). Here's why I think Aritzia is an [intriguing option](#) for investors to consider today.

Aritzia is well positioned to accelerate U.S. expansion

Many Canadian investors and consumers are aware of the Aritzia brand. In Canada, this remains one of the top brands in the fast fashion space.

However, the company's high-quality brand domestically could provide handsome international growth. At least, this is what investors are hoping for.

Aritzia has already proven its business model in key U.S. markets. The U.S. remains one of the key growth markets Aritzia has focused on in the past. With the pandemic reopening thesis in full swing south of the border, the growth potential of Aritzia in the U.S. should not be discounted.

Aritzia's potential to gobble up global market share in its segment has maybe flown under the radar a bit. However, the company's e-commerce outperformance hasn't among investors of late.

Indeed, this company's omnichannel value proposition appears to be quite convincing for investors. The retailer's stock price has slowly and steadily increased over the past year. Investors who bought this stock in the depths of the pandemic have more than doubled up at the time of writing.

For those seeking a high-quality pandemic reopening play in the retail space, Aritzia looks like a great pick today.

Bottom line

As the global economy reopens, Aritzia's bricks-and-mortar business should get a nice boost. However, in the meantime, the company's e-commerce presence should provide a nice margin of safety for investors. Indeed, if the company continues to ramp up its e-commerce growth as it has during the pandemic, we could see some impressive long-term returns from these levels.

As far as retail stocks go, I think Aritzia is an overlooked option in this space. This company's operating efficiency, margins, and e-commerce growth make this a sneaky pick that could be a long-term winner for investors who believe the retail rebound thesis is strong.

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1. Investing

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