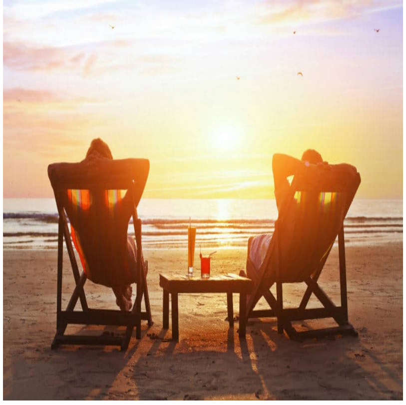

Canadian Investors: 3 Top Stocks You Can't Ignore This Summer

**Description**

Everywhere you look, Canadian stocks look to have upside. As the world recovers from the pandemic, markets should continue to favour Canadian stocks. In many instances, compared to American peers, they still trade at a discount.



Likewise, sectors like retail, real estate, financials, and materials should all continue to see strong economic demand from "reopening revenge spending." If you are just starting to invest this summer, here are some top Canadian stocks you don't want to ignore.

## A top Canadian value stock

**Brookfield Asset Management** (TSX:BAM.A)(NYSE:BAM) is set for another record year in 2021. With interest rates near all-time lows, bonds just cannot compete with higher-yielding alternative assets. Consequently, BAM's unique assortment of alternative and real asset funds and subsidiaries are a very attractive option for large institutional investors.

BAM currently manages over $600 billion of assets. Yet I believe that could climb to more than $1 trillion over the next five to 10 years. This Canadian stock has some of the best contrarian and value-focused managers in the industry. As a result, it benefits from buying distressed assets in the market troughs and selling them at premiums in the peaks.

Already, this year, distributable earnings have been massively boosted by strong asset sales. That bolsters its balance sheet for the next market cycle. This stock wins when the market is a bear or a bull, and it is a great hold for the long term.

## A top Canadian industrial stock

Any time a top railroad trades at a depressed price, it has been a great time for a long-term buyer to step in. Right now, **Canadian National Railway** (TSX:CNR)(NYSE:CNI) is looking pretty attractive. Currently, it is Canada's largest railroad. However, it could become a North American leader if it can successfully acquire **Kansas City Southern**.

Now, that is a big “if” CNR has to overcome. It is a pricey offer, and there are many regulatory and legal barriers the two parties have to conquer. The market is doubting the deal, and that is why the stock is trading down about 10% since the initial offer.

Yet, if approved, it would provide CNR a massive competitive edge and numerous opportunities to grow in the years ahead. Being the only Canada-America-Mexico railway certainly will make it an attractive option for many industrial shippers. If you don’t mind some volatility and want to be a contrarian, now is great time to buy this irreplaceable Canadian stock on the cheap.

## A top retail growth stock

Speaking of revenge shopping, **Aritzia** (TSX:ATZ) is a perfect Canadian stock set to benefit from this trend. Aritzia has been investing in digital and e-commerce sales verticals for years.

While its revenues were hit by widespread retail lockdowns, it saw e-commerce sales surge by 88% for its fiscal 2021 year. Through the pandemic challenges, it still preserved a very good balance sheet and produced $36 million in free cash flow.



What I like is that Aritzia took the pandemic to get aggressive about growth for the long run. With retail rental spaces facing meagre prospects, Aritzia was able to swipe some very high-traffic retail locations at bargain lease rates. This scenario was perfect for its expansion plans into the United States. The U.S. has a retail market that is 10 times the size of Canada. Consequently, it has a large, unsaturated growth runway there.

This business constantly innovates, and it just added a new men’s fashion business to its mix. Combine a diversified product mix, strong e-commerce penetration, and a large market to grow into, and this Canadian stock has a multi-faceted growth engine for years to come.

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**TICKERS GLOBAL**

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2. NYSE:CNI (Canadian National Railway Company)
3. TSX:ATZ (Aritzia Inc.)
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