



2 Top TSX Retail Stocks to Consider Buying Right Now

Description

As this [bull market](#) rages on, albeit in a higher volatility fashion of late, investors may be inclined to look for opportunities in sectors that have been beaten up of late. One such sector happens to be retailers. And among the retail stocks I think are set to outperform are two Canadian companies that have posted impressive results.

These companies have shown two things that impress me. Both have performed relatively well throughout the pandemic due to their technological/e-commerce initiatives. Additionally, both companies have world-class brands and are expanding, or likely will expand, moving forward.

Let's dive in.

Top retail stocks: Aritzia

One of the retail stocks I've had my eye on of late as a pandemic reopening play is **Aritzia** ([TSX:ATZ](#)). To me, this is a company with a much better outlook than other retail stocks dubbed as "meme stocks."

This still holds true today.

Aritzia's recent [earnings](#) highlighted just how impressive of a transition this retailer has made to e-commerce. Year-over-year revenue growth of 122% this past quarter was absolutely incredible and has resulted in Aritzia stock trading near all-time highs recently.

The company's focus on a quality product line, IT and logistics investments, and its distribution system have been integral to this success. Additionally, Aritzia has been making some acquisitive moves to fill gaps.

The company recently announced it's moving into men's clothing in a big way. Aritzia is pursuing a majority stake in Reigning Champ. This 75% stake will cost US\$63 million, so it's a significant investment. However, this deal has the potential to not only enhance Aritzia's product portfolio but also result in a larger consumer base.

Canadian Tire

Perhaps a top-five most iconic Canadian retail brand for most Canadians, **Canadian Tire** ([TSX:CTC.A](#)) is one of those retail stocks with international cachet.

Indeed, this is a company that's been on the cutting edge of technological advancements as far as e-commerce and the company's integrated online ordering/in-store pickup model. Canadian Tire was among the first retailers to implement this strategy, prior to the pandemic. Many investors laughed initially when Canadian Tire was making these investments. However, no one's laughing now.

Similar to Aritzia, Canadian Tire's e-commerce division is soaring. The company's online sales grew 179% year over year. Thus, this is a sector most investors will have their eye on over the long term.

Indeed, Canadian Tire's recent results were remarkable. Given how hard most retail stocks were hit as a result of the pandemic, Canadian Tire's ability to bounce back quickly is a great thing for long-term investors. Indeed, it's my belief that this is one of the most defensive retail stocks on the **TSX**.

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