2 Canadian Stocks to Buy Right Now

Description

Canadian Tire (TSX:CTC.A) and **Gildan Activewear** (TSX:GIL)(NYSE:GIL) are two Canadian stocks to buy right now. These companies are recovering very well from the pandemic.

Canadian Tire

Brick-and-mortar retailer Canadian Tire has silenced skeptics after achieving magnificent results in the second half of 2020. Indeed, the retail sector took a hard blow, as retailers had to shut down stores. While Canadian Tire and other retail stocks took a hit in the first half of 2020, the company is still standing and is now on very stable ground, as shown by its latest quarterly results. The balance sheet is in great shape, and the company is finally showing strength with its digital platform, which has really taken off amid the worst of COVID-19 lockdowns.

The retailer posted solid second-quarter results, with rising profits.

Canadian Tire posted net income attributable to shareholders of $223.6 million, or $3.64 per diluted share, for the quarter ended July 3, 2021. In comparison, the retailer reported a net loss attributable to shareholders of $20 million for the same period in 2020, as the first wave of the pandemic swept through Canada.

The retailer posted revenues of $3.9 billion, up 23.9% from the same period in 2020. E-commerce sales rose 34% to $856.7 million in the quarter, surpassing $2.1 billion year over year.

So far, for fiscal 2021, Canadian Tire has achieved net income attributable to shareholders of $375.4 million, compared to a loss of $33.3 million for full fiscal 2020.

The retailer is trading at a P/E ratio of 10.2 with a hefty 2.4% return. This is a good time to buy shares of the retailer at a cheap price.

Gildan Activewear

Gildan is a sportswear manufacturer and distributor in the sportswear segment of the apparel market. Gildan's 100% cotton shirts, high-quality sweatshirts, and unique styles have a rightful appeal to the masses. The company is one of the best Canadian stocks to buy now, as it is recovering faster than expected from the pandemic.

Gildan posted second-quarter profit of US$146.4 million, as revenue jumped 225%, despite supply chain challenges.

The Montreal-based clothing maker's net profit soared to US$146.4 million, or US$0.74 per share, from a loss of US$249.7 million, or US$1.26 per share, the year before, as it was recovering from the effects of the outbreak of COVID-19 pandemic.

Excluding one-time items, adjusted earnings were US$135.3 million, or US$0.68 per share, compared to a loss of US$196.6 million, or US$0.99 per share, in the second quarter of 2020.

Revenue for the quarter ended July 4 was US$747.2 million, up from US$229.7 million a year earlier. Sportswear sales jumped 354% to US$597.1 million, while socks and underwear sales jumped 53% to US$150 million.

The company reinstated its share-buyback program that was suspended with its dividend in April 2020 while slashing executive compensation after losing nearly US$100 million in the first quarter due to the global impact of the COVID-19 pandemic. The dividend was reinstated in the last quarter.

A few days ago, Citi analyst Paul Lejuez upgraded Gildan Activewear to buy from hold with a price target of $44, up from $36. He said, "As a major supplier of blank t-shirts, polos and sweatshirts for promotional events, the 'stars are aligning' for Gildan with sales already recovering faster than expected even without a full recovery of events. At the same time that events are more likely to fully recover, the company is adding manufacturing capacity that will allow it to capture more sales and capitalize on the improving demand picture."

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:GIL (Gildan Activewear Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:GIL (Gildan Activewear Inc.)

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1. Investing

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1. Editor's Choice

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