



## 4 Small-Cap Canadian Stocks to Buy for Extra Growth

### Description

The **TMX Group** has an S&P/TMX Small-Cap Index whose constituents include **Russel Metals** ([TSX:RUS](#)), **Enerplus** ([TSX:ERF](#))([NYSE:ERF](#)), **Cominar** (TSX:CUF.UN), and the **NorthWest Company** ([TSX:NWC](#)). These companies belong to the top 10 by market cap.

All four stocks mentioned are [attractive investment options](#) if you're looking for [extra growth](#).

**Trillium Therapeutics** is on the list, too, and **Pfizer** will soon own the Canadian clinical-stage immune-oncology company.

### Infrastructure modernization

Russel Metals is among the top-performing industrial stocks so far in 2021. At \$33.17 per share, the year-to-date gain is 51%. Also, the current share price is 94% higher than a year ago. The \$2.06 billion company from Mississauga distributes steel and other metal products in North America.

Besides steel distribution, Russel owns metal service centres and offers energy products. The business outlook is promising because the need for better infrastructure is immediate. It will play a vital role as investments to modernize Canada's infrastructure increase.

### High flyer

Enerplus is the [high flyer](#) in the group with its 97% year-to-date gain. Also, at \$7.72 per share, the trailing one-year price return is 175%. Based on analysts' forecasts, the current share price of \$7.69 could climb to \$11.63 (+51%) in the next 12 months. Your potential return could be higher as the energy stock pays a 1.98% dividend.

This \$2 billion company from Calgary is an independent exploration and production company. It explores and develops crude oil and natural gas in the home country and across the border in America. Since commencing operations 35 years ago, Enerplus has built a portfolio of capital-efficient assets. Today, it's the company's platform for profitable growth and competitive financial returns.

## Fading challenges

Cominar is one of the real estate stocks that has shown resiliency amid the global pandemic. Current investors enjoy a 36% year-to-date gain on top of the 3.34% dividend. The \$1.93 billion real estate investment trust (REIT) from Quebec owns and operates 310 high-quality office, retail and industrial properties.

According to Cominar Chairman Rene Tremblay and President and CEO. Sylvain Cossette, the REIT suffered greatly in 2020, but challenges due to the pandemic are fading. However, the positive signs are the 15.1% and 7.2% growth in the same property net operating income in Q2 2021 and the first half of 2021 versus the same periods last year. The industrial portfolio remains solid due to strong market fundamentals.

## Captured markets

The North West Company is a no-brainer buy because it has a captured market. This \$1.68 billion retailer dominates the hard-to-reach, far-flung markets in Canada, Alaska, the Caribbean, and the South Pacific. Performance-wise, the consumer-defensive stock has returned 59,522% (22.9% compound annual growth rate) in nearly 31 years.

The share price and dividend yield would be \$35.37 and 4.07% if you invested in the North West Company today. After the nine months ended on August 31, 2021, the stock's gain is 13%. Moreover, the dividends should be safe and sustainable, given the low 41.5% payout ratio.

## Income and growth

TMX's small-cap index is worth looking into this September. Take your pick from among Russel Metals, Enerplus, Cominar, and the North West Company. You can also invest in all four to form a diversified portfolio. Besides income and growth, you diversify the risks.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:ERF (Enerplus Corporation)
2. TSX:ERF (Enerplus)
3. TSX:NWC (The North West Company Inc.)

4. TSX:RUS (Russel Metals)

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