



Best Stocks to Buy: 3 Retail Picks to Buy Ahead of the 4th Quarter

Description

As we move ever closer to the fourth quarter, it's always a time of the year where consumers start to spend more. This makes it a crucial time of the year for retail stocks. And with so many high-quality retail stocks in Canada, they are some of the best to buy now.

Many of these stocks are worth a long-term hold. However, you may want to buy them now ahead of the uptick in seasonal sales, as these stocks could see a significant rally through the holiday season.

So with that in mind, here are three of the best Canadian stocks to buy ahead of a busy holiday season.

A top long-term growth stock

One of the best stocks in Canada that just happens to be in the retail industry is **Dollarama** ([TSX:DOL](#)). Dollarama is an incredible long-term [growth stock](#) that's consistently expanding its operations.

Over the last decade, Dollarama has earned investors a total return of roughly 950%, or a [compound annual growth rate](#) north of 25%.

It's achieved this impressive growth through both strong execution and several tailwinds. For example, Dollarama has been growing its store count significantly as well as improving its merchandising to incentivize customers to spend more each time they come through the doors.

And now, in the current environment, besides store shutdowns, the pandemic has generally been another tailwind for Dollarama, and macroeconomic factors continue to play in the company's favour.

These days with inflation rising rapidly, Canadians will be looking for ways to get the most bang for their buck, especially when buying essential goods.

So if you're looking for some of the best Canadian stocks to buy, Dollarama is an incredible long-term investment.

One of the best retail stocks in Canada

Another high-quality retail stock that continues to post consistent and impressive growth is **Canadian Tire** ([TSX:CTC.A](#)).

Canadian Tire is one of the best-known brands in Canada, and lately, the stock is showing investors why it's a top stock for investors to buy.

The integration of several stores into its portfolio is paying off, but more important, Canadian Tire's e-commerce channel has been performing well, which has allowed the retail stock to perform exceptionally well during the pandemic.

In addition, it too has seen a tailwind from the pandemic, as consumers spend more on home improvements and sporting goods.

Canadian Tire has shown that it's one of the best long-term stocks you can buy in the retail space. It's continuously adapting to the situation it faces and continues to expand its operations.

So if you're looking for some of the best investments to buy today, Canadian Tire stock is definitely one to consider.

One of the best Canadian value stocks to buy now

Finally, another stock investors might be interested in today is **Roots** ([TSX:ROOT](#)). Roots is another highly popular Canadian retail company with excellent customer loyalty. The stock is one of the best to buy now, as it's trading well undervalue.

After reporting earnings this morning, Roots confirmed it's still on the right track.

While the company reported earnings for the second quarter, typically one of the slower quarters of the year, sales were still impressive, and Roots managed to break even.

Even with many pandemic restrictions earlier this spring, where many retail stores like Roots have been negatively impacted, the company showed impressive results, helped by an increase in its e-commerce. This is positive, especially for an offseason quarter, and bodes well for the stock as we head into the fall.

Management wants to continue focusing on product innovations. It also wants to continue to focus on marketing partnerships and collaborations which have worked well for the company recently.

While the stock certainly still has a tough road ahead, it's an attractive buy because it continues to trade extremely cheaply. At its current price, Roots trades with a forward price to earnings ratio of just 8.1 times.

So if you're looking for one of the best Canadian retail stocks to buy, at this current value, Roots is probably the most attractive on this list.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. TSX:CTC.A (Canadian Tire Corporation, Limited)
2. TSX:DOL (Dollarama Inc.)
3. TSX:ROOT (Roots Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. danieldacosta

Category

1. Investing
2. Stocks for Beginners

Date

2025/08/16

Date Created

2021/09/10

Author

danieldacosta

default watermark

default watermark