3 Top Canadian Stocks to Buy in October

Description

Canadian Tire (TSX:CTC.A), **Docebo** (TSX:DCBO)(NASDAQ:DCBO), and **Dollarama** (TSX:DOL) are three top Canadian stocks to buy in October. Let's see why these stocks are great buys.

Canadian Tire

The retailer has been around for almost 100 years and operates multiple locations in Canada, the United States, and Europe. Canadian Tire has one of the strongest brands among consumers in Canada, which is one of the main reasons the stock has been so successful.

However, lately, it has been the company's impressive integration with its high-quality e-commerce platform that has allowed Canadian Tire to be one of the top performers during the pandemic.

Despite previous lockdowns, it continues to boast a strong balance sheet and has seen a massive tailwind in the wake of the pandemic.

After the pandemic buying boom, the Canadian merchant is expected to take advantage of pent-up demand for more discretionary items.

Its Canadian Tire, L'Équipeur, and Sport Chek brands have attracted customers online, raising annual revenues to $2.1 billion through the collection service.

The slowdown in same-store sales after COVID-19 is concerning, but profitability and compelling valuation matter more.

The retailer is just beginning to capitalize on purchasing data from the 10.4 million members of its Triangle loyalty program, affiliated with the brand's credit cards.

Canadian Tire's healthy financial position gives it the flexibility to increase the dividend in addition to resuming share repurchases after a five-year hiatus.

Docebo

Docebo, a provider of learning management systems for medium and large enterprise clients, is one of my top Canadian stocks to buy in October.

In the pre-COVID era, educational technologies and e-learning had already become a force to be reckoned with, but add a pandemic scenario that kept workers and students at home and on their laptops and you have the makings of a global e-learning boom.

Docebo's last quarter beat estimates with revenue of $25.6 million (up 76% year on year) compared to a consensus forecast of $23.1 million.

Docebo launches innovative products and extends its geographic presence to expand its customer base and increase the average value of its contracts. It added three new OEMs partnerships in August . In addition, the company derives around 93% of its revenue from recurring sources, which is encouraging.

Docebo's strong performance, expanding customer base, and growing average contract value make it one of the best tech stocks to buy.

Dollarama

In terms of growth in the retail space, Dollarama has been one of the best Canadian stocks to buy for the past 10 years.

Dollarama stock may not seem like a great deal currently, given its price/earnings ratio of 29. However, with the negative impact of COVID-19 set to abate over the next year or so, the stock could very well be a bargain.

Dollarama is returning to growth mode, with a long-term goal of opening approximately 2,000 new stores over the next decade. The retailer's domestic expansion plans could boost the stock.

Ultimately, Dollarama's foray into new markets with its stake in Dollarcity should improve the company's overall risk/reward ratio.

Only time will tell if Dollarama's entry into new markets will help it continue to grow. As the COVID pressures ease, the stock will return to full growth mode. Dollarama could hit $70 this year.

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2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:DCBO (Docebo Inc.)
4. TSX:DOL (Dollarama Inc.)

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sbchateauneuf