



2 Canadian Stocks for Truly Long-term Thinkers

Description

The definition of a long-term investor has undoubtedly shrunk in recent years, with many new market entrants in the belief that six months to a year is considered “long term.” With trading commissions in a race to zero, it’s not a mystery as to why the concept of buy and hold has become so difficult. It seems outdated to buy and hold for decades at a time, especially when it will cost you nothing to hit the buy or sell button! Undoubtedly, the dangers of \$0 commissions could impact those inclined to act on their emotions or follow the herd.

In any case, Foolish investors know that long-term investment success is not about how much action you take. In fact, less action is likely the *best* course of action when one is feeling jittery from broader market weakness or the rapidly declining value of their portfolios. With the stock market down 5%, it already feels like March of 2020 all over again. Indeed, the damage done to equities is far less, but it seems like things could get worse, especially given all the risks out there.

Turbulent times bring opportunity for Canadian contrarians

For investors looking to come out on top after this September-October turbulence, there are many great Canadian stocks to take advantage of while they hover around in limbo. In this piece, we’ll have a look at two that look like magnificent buys for year-ahead upside.

Without further ado, please consider **Aritzia** ([TSX:ATZ](#)) and **National Bank of Canada** ([TSX:NA](#)), two value plays with much-improved growth prospects. The two Canadian stocks are very different, with the exception that both are 2020 and 2021 winners poised to keep winning heading into year-end and 2022.

Aritzia

Aritzia is a women’s clothing retailer that’s really made a big splash amid the ongoing COVID-19 pandemic. The company’s e-commerce platform is incredibly robust. The in-store experience at its physical locations could be a key driver to the company’s growth over the next five years and beyond.

It's been all about e-commerce amid COVID. As the pandemic looks to end, though, physical retail could make a massive return. And Aritzia's incredibly well-planned stores, especially those within malls, could be due for a surge in sales.

Indeed, omnichannel is vital to the growth of a retailer. With a strong brand and a world of growth opportunities, I think shares of ATZ are way too cheap at just \$41 and change. The stock slipped about 5% in this latest market pullback, and I think that's the best that Mr. Market will give those looking to punch their ticket into Aritzia at a discount.

National Bank

National Bank is Canada's number six bank, but one that's outshone many of its bigger brothers. The bank was the first of the group to do away with trading commissions. And with that, National Bank looks to be in great shape to pressure its peers in the Canadian banking scene.

After rallying 40% year to date, the stock has shed its discounted multiple, with a price-to-earnings (P/E) ratio that's more in line with its Big Six peers. At 12.3 times trailing earnings, NA stock is pricier than it typically is, but it's pricier for a good reason. The bank is doing extraordinary well, and I'd wager that NA can close the market cap gap with its peers through the 2020s.

CEO Louis Vachon is a great manager, and he is capable of bringing the \$33.6 billion financial giant to new heights. With a 2.9% yield, National Bank isn't the most bountiful bank to buy, but it's one that's equipped to continue outperforming as it expands to become less of a regional player.

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