



2 Canadian Stocks to Watch in Late October 2021

Description

October 2021 is shaping up to be another [brutal](#) month for the broad basket of Canadian stocks. Indeed, it's tough to do too much buying after just a modest dip in markets.

The longer this [selloff drags](#), the more opportunities investors will have to nibble away at the bargains that are a long time coming. Investors would be best served by constructing a shopping list of stocks to watch and respective price targets they'd be willing to buy at. If a name on the list has already fallen to or below a desired price, you shouldn't find reasons to hold off on buying. You see, buying in the midst of a selloff is painful, and it's oh, so easy to lower the bar. But doing so comes with its own slate of risks: the risk of missing out on upside in a name.

Indeed, upside risks can be higher for cash-hoarding young investors who seek to grow their wealth at a rate that must be above that of inflation. Inflation may or may not be going away anytime soon. As such, investors shouldn't pass up every opportunity in the equity markets that offers a better risk/reward tradeoff. Sure, you may not get a deep-value bargain at this juncture. But one must also understand that the risks of holding too much cash must be properly balanced. Nobody wants to be caught offside if inflation stays elevated at these levels for longer!

Without further ado, consider shares of **Spin Master** ([TSX:TOY](#)) and **TD Bank** ([TSX:TD](#))([NYSE:TD](#)).

Canadian stock to watch #1: Spin Master in a tailspin!

Spin Master is a Canadian toy company that faces tough industry headwinds ahead of the holiday season. Unfortunately, there's really no avoiding COVID disruptions these days. So many companies have been negatively affected by global supply chain issues, and the toy industry could be in for an underwhelming period of what would have been immense seasonal strength.

Undoubtedly, firms, like Spin, have a tough hand to play. But with continued strength in digital, I think that Spin has options to play its hand better than many expect. I've touted in numerous prior pieces that the digital games business had the potential to spark next-level growth and, with that, a much higher multiple.

Spin Master isn't just a toymaker. I've often referred to it as a tech company, and the digital games strength reinforces my view. Today, expectations are low. And unfortunately, it's tough to gauge whether or not any unmet demand will be met in a future quarter. Regardless, I am a massive fan of the stock for the odds of a digital games surprise. After a 19% pullback off 52-week highs, I'm tempted to initiate a small position. It's a great company going through a challenging year-end. And at below \$40 per share, the value proposition could have the potential to be sizeable.

Canadian stock to watch #2: TD Bank worth banking on

TD Bank is a relative laggard these days, but it'd be unwise to bet against the name at this critical market crossroads — especially given the company has a healthy balance sheet that could pave the way for a sizeable acquisition just south of the border.

In terms of U.S. banking exposure, TD is my preferred way to play the space. Indeed, you'll get a huge Canadian retail business alongside it. In a way, it's a one-stop shop to get high-quality earnings from Canada and the United States. With brilliant managers and a knack for innovating, I think TD stock could be ready to move higher, as bargain hunters begin to appreciate the name for all it's worth.

Don't discount TD Bank here. Its peers are doing better. But this may not last, as the COVID pandemic ends and TD begins to weigh its M&A options.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:TD (The Toronto-Dominion Bank)
3. TSX:TOY (Spin Master)

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. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/07/26

Date Created

2021/10/14

Author

joefrenette

default watermark

default watermark