3 Stocks on My Black Friday Shopping List

Description

There's nothing like Black Friday shopping. The retail holiday offers some sweet deals on products you may want–and right in time for Christmas, no less. While it doesn't quite match the deals you'll find on Boxing week, there's no doubt you can find some good deals on Black Friday.

And what's true for retail is true for stocks. This year, Canadian stocks are rising, thanks to the economic recovery from COVID-19. Many **TSX** stocks remain cheap despite the gains. Others are not so cheap but offer truly explosive growth. In this article, I'll explore three TSX stocks that are on my personal Black Friday shopping list.

Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) is a stock I've had my eye on for a long time. I love the business, but I find the stock price a little steep. As I've always said, I'd buy it if it came under $1,500. SHOP is certainly not cheap, but it has growth in spades. In its most recent quarter, revenue grew 46% and GAAP EPS soared to $9–by far the highest earnings figure ever. From Q2 2020 to Q1 2021, SHOP produced a legendary growth streak, with four straight quarters of revenue growth above 90%. The company benefitted from the COVID-19 pandemic, as retail closures caused a surge in online shopping. Since then, the growth has decelerated considerably, but SHOP remains an attractive buy at the right price.

TD Bank

The **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD) is a TSX stock I already own and may buy more of in the future. It's a dirt-cheap bank stock that trades at only 10 times earnings. It also has a 3.4% dividend yield. Like many TSX banks, TD rallied this year as COVID-19 risk factors began to fade. Thanks to the economic recovery from COVID-19, TD managed to crank out 56% earnings growth in its most recent quarter. That is, of course, 56% growth from a very low base, but it's still encouraging that the bank is recovering. Additionally, TD's long-term (five-year) CAGR earnings growth rate

(13.1%) is excellent for a bank. So this is a solid financial play with a lot of dividend and capital gains potential.

CN Railway

Last but not least, we have **Canadian National Railway** (TSX:CNR)(NYSE:CNI), another stock that I already own and may buy more of. Like banks, railroads are in the process of recovering from the damage they took because of COVID in 2020. In its most recent quarter, CNR delivered:

- $3.59 billion in revenue, up 5%.
- $1.34 billion in operating income, down 2%.
- $2.37 in diluted EPS, up 72%.
- $1.52 in adjusted diluted EPS, up 10%.

As you can see, apart from operating income, they were all solid metrics. And they should continue to be strong going forward. Railroads deliver economically essential goods like grain, coal, and oil, so they tend to grow along with the economy. By improving operating efficiencies, they can grow far more than gross domestic product does. Over the years, CNR has delivered modest but steady returns to investors. It should continue doing so.

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