



2 TSX Stocks to Watch This Week

Description

Investors with a long-term mindset shouldn't worry too much about day-to-day (or even week-to-week) trends in the stock market. However, that doesn't mean that investors should ignore opportunities when they come around. This next week could be very interesting for two stocks, particularly because of the Black Friday-Cyber Monday weekend. Which two **TSX** stocks should investors watch this week?

Expect this retail industry leader to report major sales

Last year, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) reported US\$5.1 billion in sales across its stores over the Black Friday-Cyber Monday weekend. That represented a 76% year-over-year increase, as the company reported US\$2.9 billion in total sales over the 2019 Black Friday-Cyber Monday weekend. There's no doubt that worries over the COVID-19 pandemic played a large part in driving consumers to online stores. However, as we've seen this year, consumers are still frequenting online stores in great numbers.

Many investors are expecting Shopify's numbers to show weaker growth than was experienced last year. If Shopify is able to surprise investors, it could see its stock climb over the next week. Shopify has done an excellent job of attracting new businesses to its platform over the past year. For example, **Netflix** [opened a Shopify store](#) earlier this year. It's unclear how new additions like this to Shopify's lineup will affect sales. However, Shopify has every opportunity to succeed. Make sure to keep an eye on this story.

Time will tell if this company's strategy is paying off

Another stock that investors should watch with much interest this week is **Aritzia** ([TSX:ATZ](#)). [A retailer](#), Aritzia differs from Shopify in that it also sells merchandise at physical locations. In fact, the everyday luxury retailer now operates 104 boutiques across North America. 68 of which are in Canada, with another 36 in the United States. What those numbers don't show, however, is Aritzia's international footprint. According to its latest earnings presentation, Aritzia delivers merchandise to 221 countries through its online channels.

That last point is what I want to focus on here. Historically, Aritzia has been known, primarily, for its physical locations. However, over the past few years, Aritzia has invested a lot of effort into expanding and optimizing its e-commerce presence — the results of which are starting to show.

From 2016 to 2020, Aritzia's e-commerce revenue grew at a respectable CAGR of 36%. However, this year, its e-commerce revenue has grown 88% year over year. In addition, e-commerce now accounts for 50% of its total revenue, compared to only 23% in the year prior.

What Aritzia is trying to do is very clear. The company recognizes that consumers are increasingly moving towards online retail, and it doesn't want to be left behind. Like other big-name companies, such as **Target** and **Disney**, which have seen massive improvements in online retail numbers, Aritzia hopes to experience the same story. Aritzia is a newer stock in my area of coverage, but the company seems to check off a lot of boxes in my investment checklist. This is one stock that you should definitely watch this week.

CATEGORY

1. Investing

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2. TSX:ATZ (Aritzia Inc.)
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