



## 2 Top TSX Retail Stocks to Buy in October

### Description

**Aritzia** ([TSX:ATZ](#)) and **Dollarama** ([TSX:DOL](#)) are two [top stocks](#) to buy this month. Let's look at the reasons why these [retail stocks](#) are great buys.

### Aritzia

Aritzia has been defying predictions, continuing to thrive despite the pandemic and reporting solid profits thus far in 2022. The strong performance comes even as many similar companies have experienced substantial negative effects on their businesses.

Many women have made Aritzia one of their go-to shopping destinations, but lately, demand has exploded.

Aritzia has been so profitable that new shops frequently recoup their startup costs within 12 to 24 months of opening.

Aritzia's growth potential is enormous right now, making it one of the compelling stocks to purchase, as the company is rapidly expanding across the United States.

For instance, this year, it will debut 8 to 10 new boutiques, 9 of which will be located in Canada. Aritzia has 110 stores overall, including 42 boutiques in the United States and 68 in Canada.

However, the U.S. has high development potential south of the border because its population is about nine times that of Canada. Aritzia has also chosen at least 100 locations in the United States for its upcoming boutique openings.

Aritzia has years of potential growth ahead of it if you're searching for the finest stocks to purchase right now.

Last but not least, ATZ stock trades at a huge discount, making it one of the more enticing companies to buy right now.

ATZ currently trades at just 26.5 times its projected earnings, which is much less than its five-year average of 35.5 times its projected earnings.

As a result, Aritzia is definitely worth checking out if you're seeking some of the top TSX retail stocks to buy right now.

## Dollarama

The largest chain of dollar stores in Canada, Dollarama Inc. , has over 1,400 outlets and is based in Montreal. The company offers approximately 4,000 consumer goods with a \$4 per item price cap, which will increase to \$5 next year. Additionally, the company owns a 50.1% stake in Latin American discount retailer Dollar City. Given the macroeconomic challenges we are now facing, the stock has significant upside potential. Although the company continues to operate in an inflationary environment, previously announced price increases should help to lessen this strain.

Over the past five years, stock price growth has consistently exceeded that of the greater Canadian market thanks to management's exceptional running of the business. Early in June, Dollarama reported earnings that exceeded forecasts. Since then, the stock has increased 5%. In the first half of the year, DOL stock has increased by more than 20% . Over the same time, the Canadian market as a whole has been in decline. Dollarama has consistently surpassed expectations since going public in 2009, becoming one of the best Canadian retail stocks.

In addition to restating its full-year predictions, Dollarama reported positive first-quarter earnings in June. Highlights include a 7.3% rise in same-store sales. The firm bought back 1.4 million shares and added 10 new stores.

Dollarama is still the top bargain retailer in Canada and should benefit from rising inflation. The company is also growing in South America. Although reasonably priced, Dollarama is a good investment because of its track record over the past 8 to 10 years.

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1. Investing

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2. TSX:DOL (Dollarama Inc.)

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#### **Category**

1. Investing

#### **Date**

2025/08/09

#### **Date Created**

2022/10/06

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