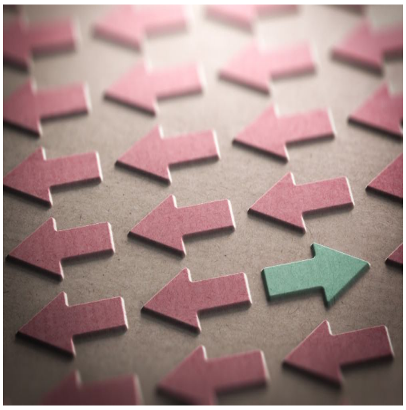

These 2 TSX Stocks are Defying the Market Slump

### Description

Volatility remains King in 2022. Year to date, the market has dropped just shy of 12%. Fortunately, that drop doesn't encompass all investments. Some TSX stocks are defying the market slump, and even posting handsome gains.



Here's a look at two of those market-beating TSX stocks defying the market slump, and whether you should buy them now.

## Gas and milk can make you rich, right?

**Alimentation Couche Tard** (TSX:ATD) is outperforming the market by selling us the goods we need in good times and bad.  As of the time of writing, Couche Tard is up 10% year to date.

For those unfamiliar with the stock, Couche Tard is one of the largest convenience store and gas station operators on the planet. The company has taken an aggressive stance towards growth, which has allowed it to swell to approximately 14,000 locations in two dozen countries.

That's an impressive feat considering that the convenience store chain only branched outside of Canada into the U.S. market two decades ago. Adding that impressive growth, Couche Tard has also weathered the pandemic and more recently, volatile fuel prices and rapid inflation.

By way of example, let's look at some results. In the most recent quarterly update, Couche Tard saw revenues jump 37% year over year. An increase in service revenue was attributed to those gains.

Overall, the company earned US$872.4 million, or $0.85 per diluted share in the quarter. This was a stark improvement over the US$764.4 million, or $0.71 per diluted share reported in the prior period.

Turning to the future, Couche Tard is focused on expansion. Just last month Couche Tard announced a master license agreement to bring Couche Tard's Circle K branded stores to South Africa.

The company is also growing out an EV network within the U.S. following success in rolling out a network in Europe. Couche Tard is looking to have a 200-location network operational within the next two years.

In short, Couche Tard is a must-have investment defying the market slump. Buy it, hold it, and watch it grow.

## Defying the market slump and ready for strong growth

Another unlikely stock defying the market slump is **Dollarama** (TSX:DOL). Canada's largest dollar store isn't exactly the investment you might be thinking of during a market slump, but it should be.

Dollar stores thrive during market pullbacks, unlike other traditional retailers. Consumers seeking less-expensive alternatives often end up in a Dollarama store. Once there, Dollarama's unique pricing model takes over.

Dollarama offers a wide variety of goods that are priced along several fixed price points up to $4. Additionally, many lower-priced items are bundled together, providing shoppers with an added sense of value. In short, the approach has proven wildly popular.

In a year full of volatility and rampant inflation, that's helped Dollarama's stock rise well over 25% year to date.



That's not even the best part. Despite those solid gains, there's still more growth to come. Dollarama has swelled to a network of over 1,400 locations across every province. The company also has a growing presence in several Latin American countries under its Dollar City brand.

We're also heading into the busy holiday shopping season — the first in which stores will be fully open since the pandemic started.

In other words, Dollarama is a great stock option that has defensive appeal and plenty of long-term growth potential.

## Final thoughts

Finding the right mix of investments takes time. It also means understanding that no investment, even the most defensive, is without risk.

Fortunately, both Dollarama and Couche Tard are market leaders in their respective segments, with strong growth prospects.

In my opinion, one or both would do well as part of a well-diversified portfolio.

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