



## 2 Top Canadian Retail Stocks That Could Get a Holiday Boost

### Description

It's Black Friday, which means it's a great time to talk about retail stocks during this unofficial start to the holiday shopping season.

For Canadian retailers, the outlook for this sector remains mixed. On the one hand, shoppers are back in full force for their in-person shopping experience, with pandemic-related restrictions all but gone. On the other, it's clear that macro conditions remain tight. And while central banks may be taking their foot off the brakes next year, we're still in the midst of a high-inflation, slow-growth market.

The question many investors have is how inventories and margins will hold up this holiday season. Here, I'm going to discuss why **Canadian Tire** ([TSX:CTC.A](#)) and **Canada Goose** ([TSX:GOOS](#)) are two top picks in this regard right now.

For those looking to play a more bullish holiday season, these are two stocks to watch. Let's dive in.

### Top retail stocks: Canadian Tire

Canadian Tire is surely not the largest retail company in North America, but this Canada-focused retailer has seen substantial price movement in recent months. There's reason for this.

The company stock rallied by around 7% in the trading session after the company announced encouraging quarterly earnings results. Canadian Tire is worth around \$9 billion and operates with more than 1,700 retail and gasoline facilities.

In its third-quarter earnings call, the company reported revenue growth of around 8%. The company's revenue stood at \$4.23 billion. In the same quarter, Canadian Tire reported strong engagement with loyal customers, including increased spending per Triangle Member. Canadian Tire remains optimistic about strategic growth investments.

This top retailer is also currently focusing on fulfilling its supply chain infrastructure. Overall, Canadian Tire has consistently demonstrated the underlying resilience and strengths of its business.

## Canada Goose

Growth stocks have faced headwinds in 2022 due to more bearish macroeconomic conditions. However, one such company that remains fairly unaffected by these difficult market conditions is Canada Goose.

Canada Goose is an intriguing retail play, in that this is among the leading Canadian brands outside of its domestic market. Thus, for those looking for a way to play a global rebound in retail, this is one top option for investors focused on [growth](#).

While the company's sky-high growth rates of the past have since cooled, Canada Goose's value comes in its brand. This company was able to eke out 6.7% revenue growth this past quarter, hauling in \$625.3 million. For a company valued at around [\\$2.5 billion](#), this equates to a multiple of roughly one times sales. That's cheap for a company of this calibre and is a valuation I think is worth considering.

Canada Goose's recent strong results were driven mainly by North American wholesale growth. That said, the company has a big opportunity to continue expanding in other key global markets.

Thus, while Canada Goose has revised its outlook lower for 2023, I think the company's ability to leverage the strength of its brand should bode well for its long-term future.

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2. TSX:GOOS (Canada Goose)

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