



Brand-Name Investments: Aritzia Stock and Canada Goose Look Like Buys Today

Description

It's been a rocky ride for retail over the past year. Though this [bear market](#) isn't showing signs of backing off quite yet, I think there are top Canadian retail brands that could thrive, even as consumer spending looks to wind down in the face of what could be the longest economic recession since the Great Financial Crisis of 2008.

Indeed, *recession* is a scary word. But it doesn't have to be if central banks can engineer a landing that's not so hard on our portfolios. As the Fed and Bank of Canada continue raising interest rates, we'll eventually reach a point where the potential economic [damage](#) may not be worth the additional cooling on inflation.

Undoubtedly, it's impossible to tell if the inflation fight is (nearly) over with. Only time will tell, and investors shouldn't attempt to position their portfolios in a way that assumes inflation will calmly move back down to the 2% mark. I think now is a great time to go bargain hunting across names that can make it through the recession and live on to the next bull run. Indeed, it's hard to think about a bull market when the bear has been clawing away at our portfolio's holdings for nearly a year.

Brand power 101: Stocks that could surge over the long term

In this piece, we'll focus on brand strength. I believe strong brand affinity is key to doing well through inflationary and recessionary worlds. Sure, top brands may face pressure when the economy sinks with every rate hike. That said, we're all about the long-term game here at the Motley Fool Canada. And in this piece, we'll have a look at two solid names that I believe will do well for investors over the next six to 10 years.

Indeed, you need a long-term horizon if you're to improve the odds of walking away from the clutches of the bear market of 2022 as a winner.

Aritzia

Aritzia ([TSX:ATZ](#)) is a wonderful women's fashion retailer that's still in the early innings of what could be a very profitable growth story. Indeed, Aritzia comes from humble beginnings as a Canadian clothier. As the firm looks to expand south of the border, I think the company can continue posting impressive growth numbers, even in the face of a weak consumer.

Indeed, Aritzia is all about the growth. And I think the name is worth a high premium price tag. Today, the stock remains very pricey at more than 30 times trailing price to earnings (P/E). With an earnings beat streak (management knows how to surpass estimates better than most) and a compelling brand, I think Aritzia stock is a name that's tough to pass up on any dips moving forward.

At \$51 and change per share, I'd not be afraid to initiate a small starter position (think 15-25% of a full position).

Canada Goose

Canada Goose ([TSX:GOOS](#)) is another wonderful brand that's done well internationally. Indeed, the creator of those unmistakable luxury parkas (many of which cost more than \$1,000) could boom during good times. With a massive bust now already in the books ahead of what could be a choppy recession, I think those who punch their ticket into the name could have a front-row seat to the next expansionary cycle.

Nobody knows when the economy will boom again. The recession hasn't even started. Still, I think the stock's price drop already has more than a mild recession considered! At 32 times trailing P/E, GOOS stock is still priced for growth. Down more than 73% from its peak, though, I think the Goose deserves a higher multiple, given the propensity for demand to go blast off very quickly once economic tides turn.

With such a wonderful brand and minimal marketing spend, Goose has all the makings of a high-margin discretionary growth king.

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