



3 TSX Stocks I'd Buy Without Hesitation This Week

Description

Shares of a few companies will likely benefit from a bump in demand for their offerings in the fourth quarter (Q4), making them attractive investments before this year ends. With that in the backdrop, here are three [TSX stocks](#) that I'd buy without hesitation this week.

However, investors should note that the weak operating environment and uncertainty over the future trajectory of the economy could play spoilsport and limit the upside potential.

Cargojet

Cargojet ([TSX:CJT](#)) offers time-sensitive air cargo services, and its business witnesses the highest customer demand in Q4. The higher retail activity during the holiday season boosts demand for Cargojet's services, supporting its financials and share price. Also, Cargojet stock is trading at a significant discount from its 52-week high, presenting a good buying opportunity at current levels.

Cargojet consistently delivered solid growth in 2022, regardless of the weak economic environment. Its top line increased by over 36% in the first nine months of 2022. During the same period, its adjusted earnings marked a 57% growth. The momentum in its business will likely sustain in Q4, reflecting increased retail and e-commerce activity.

Besides higher demand, its next-day delivery capabilities, strategic partnerships, and long-term agreements with minimum revenue guarantee augur well for growth. Also, its ability to pass on the cost to its customers and focus on lowering leverage will likely support its stock price.

Aritzia

Aritzia ([TSX:ATZ](#)) is a fashion house that generates a higher proportion of its revenue and operating income during the back-to-school and holiday seasons. This [consumer discretionary stock](#) could rise higher and deliver solid returns thanks to the higher demand.

Aritzia has been growing its top line at a CAGR (compound annual growth rate) of 19% since 2018. Meanwhile, its earnings grew at a CAGR of 24% during the same period. So far this year, its revenues have increased by over 56%. Furthermore, its adjusted earnings per share (EPS) jumped about 39% during the same period.

Aritzia's management remains upbeat and expects to deliver double-digit, top-line growth over the next five years. Its top line is projected to increase at a CAGR of 15-17% through 2027. Meanwhile, its EPS growth could outpace the top-line growth rate. Strong demand, Aritzia's boutique and product expansion, and the recent pullback in its stock make it a solid investment at current levels.

Shopify

Shopify's ([TSX:SHOP](#)) revenues are closely tied to the level of GMV (gross merchandise volume) that its merchants facilitate through its platform. Typically, its merchants process higher GMV during the Q4 holiday season, implying that Shopify's merchant solution revenues will likely get a boost.

While the higher interest rates and normalization in e-commerce demand have lowered Shopify stock, the correction is an opportunity to invest in this high-growth [tech stock](#). The company has been aggressively investing in e-commerce infrastructure, positioning it well to capitalize on the ongoing digital shift. Moreover, higher adoption of its payments solutions, strengthening of fulfillment services, and expansion of its products into new geographies bode well for growth.

Shopify faces easier year-over-year comparisons, and an improvement in the economic environment is likely to give a significant boost to its stock price.

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2. TSX:CJT (Cargojet Inc.)
3. TSX:SHOP (Shopify Inc.)

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