



## 2 Canadian Small-Cap Gems You'll Want to Buy Before Everyone Else Does

### Description

The Canadian stock market had a roller coaster of a year in 2022, and the momentum has carried forward to this year. As of this writing, the **S&P/TSX Composite Index** is down by 10.60% from its 52-week high, despite the 2.13% rise after the first week of trading.

While uncertainty and [volatility](#) still loom over the stock market as the year progresses, the TSX is full of opportunities for investors who know where to look for them.

Today, I will discuss two [small-cap Canadian stocks](#) that are worth considering for your portfolio, as you begin allocating more capital to the stock market in your self-directed investment portfolio.

### Park Lawn

**Park Lawn** ([TSX:PLC](#)) is not one of the most talked-about stocks, but it is one worth considering for your portfolio. It is a \$957.51 million market capitalization company catering to an essential market: the funeral industry. Death and taxes are two certainties of life, and Park Lawn offers goods and services associated with the former throughout Canada and the U.S.

The company owns and operates several facilities, including cemeteries, funeral homes, funeral services businesses, and crematoriums. Over the years, Park Lawn has consolidated a largely fragmented industry through an intelligent acquisition strategy, establishing itself as a major player in the niche industry.

As grim as it is, Park Lawn is well positioned to capitalize on growing demand, as North America's population rapidly ages.

As of this writing, Park Lawn stock trades for \$28.06 per share. Down by 31.42% from its 52-week high, it can be an excellent addition to your portfolio at its discounted valuation.

## Rogers Sugar

**Rogers Sugar** ([TSX:RSI](#)) is another small-cap gem to consider adding to your portfolio. The Vancouver-based \$594.48 million market capitalization company is Canada's largest refined sugar distributor.

Along with its subsidiaries, RSI stock is responsible for refining, packaging, and marketing sugar products. Its major geographical market segments besides Canada include the U.S. and several European countries.

The company has been running a 135-year-old sugar-refining business, producing and distributing a vital ingredient that will never go out of fashion. With sugar sales rising each year, RSI stock reported a record year in 2022.

It shipped 794,600 metric tonnes of sugar in the fiscal year 2022. The company's management predicts lower volumes for sales this year, anticipating 790,000 metric tonnes in sugar exports for the year.

However, the demand in its domestic market might increase, potentially allowing the company to decrease its export sales without hurting its bottom line too much by catering to growing demand in the domestic market.

As of this writing, Rogers Sugar stock trades for \$5.70 per share and offers a juicy 6.32% dividend yield. The company recently announced a \$160 million expansion project to add 100,000 metric tonnes of production capacity. It can be a good long-term investment to consider, despite potential short-term issues ahead due to broader economic factors.

## Foolish takeaway

It is essential to remember that stock market investing is inherently risky. As an investor, it pays to do your due diligence and carefully decide how much capital you should allocate to various assets to meet your investment goals.

If you are interested in snatching up small-cap stocks with the potential to deliver stellar long-term returns, Park Lawn stock and Rogers Sugar stock can be worth keeping on your radar at current levels.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:PLC (Park Lawn Corporation)
2. TSX:RSI (Rogers Sugar Inc.)

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