



3 Stocks to Buy During the Market Rally

Description

While the market rally has been sending stock prices higher, not all companies have benefited equally. Some businesses are now terribly [overvalued](#), while others still have plenty of [upside](#) to go.

If you want to profit from the recent market rally, here are your best bets.

Bet on the economy

goeasy Ltd ([TSX:GSY](#)) is a hidden gem. Few investors have heard of this stock. But if you want massive gains, this stock is for you.

In 2012, goeasy stock traded at \$7. In February, they topped \$70, but following the coronavirus pandemic, the stock now changes hands at just \$40 apiece. And that's *after* the market rally occurred. This is a rare chance to buy into a rapid-growth stock.

goeasy is essentially a small-denomination lender specializing in loans ranging between \$500 and \$35,000. With more than 100 locations throughout Canada, plus an online portal, any Canadian can get approved for a small loan within minutes.

For years, this segment of the market was ignored by traditional banks. Existing competitors were known for their terrible customer service. goeasy turned the model upside-down, focusing on meeting their borrowers' needs and driving repeat sales and referrals. More than 95% of customers come away satisfied.

Market volatility should increase demand for goeasy's services, while the recent market rally will improve its customers' ability to pay back those loans. With a \$560 million market cap, expect some choppiness, but this business should be valued above \$1 billion once conditions normalize.

The long-term market rally

BlackBerry Ltd. ([TSX:BB](#))([NYSE:BB](#)) isn't the company it used to be. In 2010, it was one of the largest smartphone manufacturers in the world, controlling a 20% market share. Today, it doesn't produce a single phone. Instead, the business builds next-generation software focused on cyber security needs.

Consider the company's QNX platform, which secures vehicles from hacking. The more technology we put into our cars, the more vulnerable they become. Self-driving cars will be cool, but only if they're safe. BlackBerry's QNX system is already installed in 150 million vehicles worldwide.

Another example is BlackBerry's Cylance division. Using artificial intelligence, this software can detect threats *before* they occur. This segment alone should likely warrant a multi-billion price tag, yet BlackBerry as a whole is valued at only \$3.3 billion.

The market rally has pushed the stock price up a bit, but for patient investors, the biggest rewards are still ahead.

Go big with China

Canada Goose Holdings Inc ([TSX:GOOS](#))([NYSE:GOOS](#)) stock has benefited from the recent market rally, but like BlackBerry, it's playing the long game.

Once one of the hottest retails stocks in the world, Canada Goose stock is now *two-thirds* off its highs. The reason is simple: slower growth, particularly in Asia.

Canada Goose is famous for its \$1,000 jackets. Yet despite its high-end reputation, the company barely has a presence in China, the largest luxury market in the world. Last year, the company began its expansion efforts, growing international sales by 61% in 2019 alone.

The coronavirus pandemic has dramatically slowed these expansion efforts. Long term, however, they will continue as planned.

Buy-and-hold investors can capitalize on short-term delays by purchasing shares now. Despite the market rally, shares still trade at an 80% discount to their former valuation multiples.

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2. NYSE:GOOS (Canada Goose)
3. TSX:BB (BlackBerry)
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