



## TSX Market Sell-Off: Buy These Top Stocks While They're on Sale!

### Description

Once again, the **TSX Index** has lost some steam. This could be priming markets for another large sell-off. North American markets in general have experienced a historic rise since the March market crash. Frankly, the TSX and other markets have seemed frothy. I don't believe they have fully priced in the real levels of pandemic, economic, and political risk.

However, if you are prepared to buy for the long term, any TSX market sell-off can be a great opportunity to begin a new investment position. By buying short-term market fear, you can significantly maximize your long-term returns and yields.

Here are three very different TSX stocks that I wouldn't hesitate to buy on any market sell-off.

### TSX market sell-off: Buy Constellation Software

The first TSX stock to buy on the next market sell-off is a compounding return machine. This stock is **Constellation Software** ([TSX:CSU](#)). It has been one of the TSX's best-performing stocks, returning a whopping 3,661% over the past 10 years!

Constellation acquires Software-as-a-Service (SaaS) businesses in niche industries, and then provides infrastructure, mentorship, and capital to make them cash flow machines. It then reinvests the proceeds into new companies and repeats the strategy. One example is its recently [announced](#) merger and potential spin-off of Topicus.com, a leading SaaS provider in Europe.

Overall, Constellation has a very steady, long-term growth trajectory. It has diverse operations by sector and geography. This gives it scale to continue acquiring SaaS businesses wherever there is value, anywhere in the world.

71% of its revenues are reoccurring and it generates a significant amount of free cash flow. The business generated \$311 million of free cash last quarter. Its balance sheet ended with a net cash position of \$216 million. This will continue to fuel its acquisition pipeline and further advance market returns on the TSX for many years to come.

## TSX market sell-off: Buy Lightspeed

Another growth stock that looks attractive on a pullback is **Lightspeed** ([TSX:LSPD](#)). Lightspeed is becoming a leading provider of cloud-based, omni-channel sales and operations platforms for the retail and hospitality industries.

While the stock is a riskier due to its smaller size and high valuation, it is an exciting TSX growth stock. Lightspeed has been experiencing very strong traction during the pandemic. Retailers desperately need cloud-based sales platforms that integrate mobile, online, e-commerce, and delivery options together. From February to April, it saw a 400% increase in e-commerce volumes by its retailers.

Lightspeed is not yet profitable, and it is not cheap. The stock trades at 17 times price to sales. However, in its most recent quarter, it grew sales by 70% over the year prior. Many have likened Lightspeed to **Shopify**. I think any market selloff on the TSX is a great opportunity to buy into this growth story.

## Buy now or on a down day: Dream Industrial REIT

[For investors who are looking for dividends](#) and growth, **Dream Industrial REIT** ([TSX:DIR.UN](#)) is an attractive stock to buy in a TSX market sell-off. Yesterday, it posted a business update that was very encouraging.

So far, rent collections, after adjusting for lease deferrals, have been very strong at 95% for April and May. June is looking to be about the same. Its portfolio of logistics, industrial, and distribution properties continues to experience strong leasing demand. In fact, average renewal spreads have increased 4% higher than prior rates.

DIR has very low leverage for a REIT (a net debt-to-asset ratio of 28%). Today, it has \$300 million available to deploy into property acquisitions or developments. Right now, it has \$108 million worth of acquisitions in contract or in negotiations. These properties have very attractive capitalization rates and are located in great industrial markets like Germany, the Netherlands, and Montreal.

Overall, this is a very high-quality REIT with a strong international operating platform. While I like its 6.6% dividend, I like its growth prospects even more. It is a buy today and an even better buy on a TSX market sell-off.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

5. Tech Stocks

## **TICKERS GLOBAL**

1. TSX:CSU (Constellation Software Inc.)
2. TSX:DIR.UN (Dream Industrial REIT)
3. TSX:LSPD (Lightspeed Commerce)

## **PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

## **Category**

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
5. Tech Stocks

## **Date**

2025/07/26

## **Date Created**

2020/06/25

## **Author**

robbybrown

default watermark

default watermark