



These TSX Stocks Have Climbed Steadily — Will the Run Sustain?

Description

Of all the **TSX** stocks, few continue to rise come what may. These stocks have been growing for an extended period and have defied the broader market trend this year. Further, their strong fundamentals indicate that the rally in these stocks could continue, at least in the foreseeable future.

Shopify

Shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are on a tear ever since it listed on the TSX. The stock has risen over 3600% in five years. Meanwhile, it is up about 169% this year compared to a 9% decline in the benchmark index.

Shopify stock's astronomical returns reflect the e-commerce company's stellar operational performance and growing market share. However, the key question is whether Shopify will be able to sustain this run in the coming years after such a strong growth for such a long period.

As businesses transition from offline to online amid growing customer demand, Shopify's stock could continue to gain. Besides, its operational efficiencies indicate that the company would turn profitable in the coming years. Its adjusted operating expenses as a percentage of sales have consistently gone down, which is encouraging.

Shopify's ability to add diverse revenue channels bodes well for growth and should continue to support and drive its merchants base. Meanwhile, its high-margin solutions like shipping and capital services should support growth further.

However, investors can expect occasional pullbacks in Shopify stock, which would present an excellent buying opportunity.

Cargojet

I have always heard that making money from the aviation industry is tough. However, **Cargojet** ([TSX:CJT](#)) stock proves this wrong. Cargojet stock has consistently performed well for an extended period and has made its investors rich.

The stock has delivered a return of about 498% in five years. Meanwhile, it has grown nearly 57% year to date. While the aviation industry faces several headwinds, Cargojet continues to benefit from the sustained demand for air cargo.

Cargojet's on-time performance, proactive management of fleet capacity, retention of its major customers, and new customer acquisitions augur well for growth. Besides, its ability to recover higher fuel prices through fuel surcharges and cost optimization cushions its margins and helps in maximizing its free cash flows.

The company's resilient business and continued growth indicate that the [rally in Cargojet stock could continue](#).

Kinaxis

Kinaxis ([TSX:KXS](#)) is another Canadian tech stock that has performed exceptionally well over the past several years. Moreover, this year, it has more than doubled. Kinaxis continues to witness a growing demand for its supply-chain management software and solutions, thereby supporting the upside in its stock.

The company's top-line increased at a compound annual growth rate of over 20% since 2015, thanks to its ability to acquire new customers and expansion of existing customer subscriptions.

In the [most recent quarter](#), the company's SaaS and professional services revenues jumped 24% and 54%, respectively, due to the new customer acquisitions and higher customer engagements.

Kinaxis's high order backlog, the addition of new customers, and benefits from the recent acquisitions should continue to drive its stock in the coming years.

CATEGORY

1. Coronavirus
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:SHOP (Shopify Inc.)

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