
Canadians: 2 Unstoppable Stocks to Buy With $5,000

**Description**

The Canadian stock market has been lagging behind its peers to the south. Unfortunately, the **TSX Index** is overweight financials and energy, while being disturbingly underweight in tech. As such, it's not a mystery as to why Canadian stocks will likely fail to hit all-time highs by the year's end, even as major U.S. indices look to make fresh all-time highs.



## Canadians should take a raincheck on TSX Index funds

I'll admit it: the TSX Index is a terrible investment. It's not adequately diversified across sectors, and as a result, it can get left behind in tech-driven rallies like the one we experienced over the past several months.

If you were a TSX index fund investor, you would have dealt with tremendous underperformance over the years. For many Canadians, there's a huge incentive to be a self-guided stock picker, so one can steer clear of vulnerable sectors (energy) while scooping up bargains (restaurants/small-cap tech) as they appear.

This piece will have a look at two unstoppable stocks that have slowed down in September alongside most other stocks, but will likely continue exhibiting tremendous momentum going into the year's end. Without further ado, consider buying **Docebo** (TSX:DCBO) and **CN Rail** (TSX:CNR)(NYSE:CNI) if you've got an extra $5,000 sitting around in a savings account.

## Docebo: A white-hot tech stock for Canadians

Docebo is an up-and-coming e-learning platform developer that I've been pounding the table on ever since shares fell off a cliff back in February.

The company's offering has exploded in popularity amid this crisis. Although the stock has more than doubled in a matter of months, shares may still have a heck of a lot more room to run now that big-league firms like **Amazon.com** have jumped aboard the learning management system bandwagon with Docebo's incredible product, which leverages the power of AI.

Docebo may be a small firm, but it has some massive mega-cap clients behind it. With one of the best products in its niche market, the company has a tonne of growth runway, and as its offering keeps getting better, I suspect the momentum will continue through and after this pandemic. Docebo is the real deal, and with shares trading at around 20 times sales, an expensive multiple by most standards, I'd initiate a quarter position here with the intention of scaling into a full position over the coming months.

## CN Rail: The backbone of the North American economy

CN Rail is fairly valued according to traditional valuation metrics. But as one of the leaders that will help drag the Canadian economy out of the gutter in late 2020 and 2021, I view CN Rail as an undervalued company that's more than ready to deal with an uptick in carloads moving forward.

The company, led by J.J. Ruest, also has room to improve upon its operating margin, and headwinds gradually fade; I think CN Rail stock will be unstoppable moving out of this crisis. Even if this pandemic were to drag on for longer than expected, CN Rail is in a position of tremendous resilience. The company didn't implode to the same extent as most other companies in the Great Financial Crisis, and the same is likely in this public health crisis thanks to brilliant risk-mitigating managers and sky-high barriers to entry that will protect the firm's long-term economic profits.



At $140 and change, CN Rail may not seem like a great value, but it is when you weigh the calibre of business you're getting and the market environment that lies ahead.

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1. Coronavirus
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2. TSX:CNR (Canadian National Railway Company)
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