



3 Must-Own Canadian Stocks for the New Bull Market

Description

The COVID-19 pandemic caused a major market crash earlier this year. The **S&P/TSX Composite Index** had one of the steepest drops in its history. The index dropped a staggering 35% in just over one month.

Since the end of March, though, investors have been witnessing an incredible bull. The previously mentioned index is closing in on a 50% gain since the last week of March.

With the bull run in full force, I've put together a list of three Canadian stocks to add to your watch list today. There's plenty of growth ahead for each company and I believe they all have the potential to outpace the returns of the Canadian market over the long-term.

BlackBerry

No longer in the business of selling smartphones, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is now a key player in the [increasingly growing cybersecurity industry](#).

The \$3 billion company is far from its days of trading above \$100 a share. Today, the tech stock trades under \$10, and is valued at a reasonable price-to-sales (P/S) ratio of 3.

Recent acquisitions have lead BlackBerry to be ranked as one of the world's most trusted AI-cybersecurity companies. And with the entire industry expected to grow at a rate of more than 12% annually for the next seven years, this is one stock that looks ripe for a turnaround.

Constellation Software

Few companies have outperformed **Constellation Software** ([TSX:CSU](#)) over the past decade. The tech stock has returned growth of [more than 3,000%](#) over the past 10 years. While growth may have slowed over the past five years, Constellation Software is still in an excellent position to see it outpace the broader Canadian market.

The tech company provides vertical-specific software to often very niche companies. In addition to developing the software, the Toronto-headquartered company provides support for installation, training, and customization.

I wouldn't bank on this stock being a 30-bagger once again over the next ten years. But does it have the potential to continue to outperform the Canadian market? You bet.

Given the growth potential for this tech stock, the price is well worth the risk. The stock today is valued at a P/S ratio just below 10.

Docebo

By far the youngest of the three companies, **Docebo** ([TSX:DCBO](#)) joined the public market in October of 2019. Investors that were fortunate to pick up shares one year ago have seen their investment grow by more than 250%.

Docebo entered the pandemic already with lots of growth potential. But you could make the case that the tech company has even more growth ahead of it caused by the effects of the pandemic.

The \$1.5 billion company is in the business of training employees. Docebo provides its customers with a cloud-based software-as-a-service learning platform, which is powered by AI to personalize the learning experience for each individual user.

The COVID-19 pandemic has created a massive shift in the work culture. Many employees across the country are now working from home more than ever. As social distancing policies do not look like they will loosen up any time soon in some areas of the country, the demand for Docebo's learning platform will likely only continue to increase.

The youngest of the three companies is also the most expensive, but for good reason. It's been the top performer between the three companies over the past year, and could very well continue to be over the next five to ten years.

Docebo trades today at a P/S ratio of 28.

Foolish takeaway

For any Canadian looking to add a stock to their portfolio to outperform the broader market, any of these three companies would be a great place to start.

Keep in mind, though, that none of these companies are considered to be cheap from a valuation perspective. If you're picking up shares at these prices, you'll most likely need to endure relatively high levels of volatility over the short-term. But over the long-term, you'll be glad to own any of these stocks.

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1. Investing
2. Tech Stocks

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TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. TSX:BB (BlackBerry)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:DCBO (Docebo Inc.)

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