



2020 Holiday Season: 3 Top Stocks for Outsized Growth

Description

We all are aware that certain times of the year provide a good investment opportunity in the stock market. One such period is the holiday season. Despite the disruption from the pandemic, some of the **TSX** stocks are likely to benefit the most from the holiday season and deliver outsized growth.

For the same reason, I have come up with three stocks that are a great buy before the 2020 holiday season for stellar returns.

Top stocks to buy: Shopify

First up is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). I believe Shopify remains well-positioned to benefit significantly from the holiday season, thanks to the structural shift toward e-commerce platform. As the pandemic raged, Shopify witnessed robust traffic on its platform, which drove massive growth in its gross merchandise volume (GMV) and top line.

For those who don't know, the demand for Shopify's platform was so high that its [GMV in 2Q](#) soared 119%, while its revenues nearly doubled on a year-over-year basis. Further, new stores on its platform surged 71% sequentially.

With the continued spread of the coronavirus and rapid adoption of the e-commerce platform, I expect Shopify to outpace its 2Q growth rate and deliver robust GMV and sales numbers. Besides the significant industry tailwinds, its strategic partnerships with **Walmart**, **Pinterest**, and **Facebook** and expansion of higher-margin products are likely to drive its merchant base and margins.

Cargojet

Many of you would be surprised to see **Cargojet** ([TSX:CJT](#)) stock on this list. However, Canada's largest air cargo company witnesses the highest demand during the holiday season due to increased retail activity.

Another key growth catalyst is Cargojet's next-day delivery capabilities to the majority of the Canadian population. The company is already benefiting from the surge in health care and e-commerce volumes.

Meanwhile, its growth is likely to accelerate further as we inch closer to the holiday season, reflecting its fast and reliable delivery capability.

Cargojet has been a [consistent performer](#) and has made its investors very rich. The company's growing network capacity and expansion of fleet size could continue to support its growth. Meanwhile, long-term contracts, cost pass-through provisions, and focus on efficiency are likely to protect the downside.

Spin Master

Spin Master ([TSX:TOY](#)) is another top stock to buy before the holiday season. Toys are among the top-selling categories during the holidays, which present a solid base for Spin Master to accelerate its growth.

Shares of the toy maker took a massive hit from the outbreak of the pandemic. However, its stock rebounded strongly with the reopening of the economy, its production returning to the normal levels, and continued purchases from its top customers like Walmart, **Amazon**, and **Target**.

Spin Master stock is still down about 28.5% on a year-to-date basis and presents an excellent buying opportunity to benefit from the surge in demand during the holidays. Investors should note that Spin Master's digital portfolio is emerging as a key growth driver, with its Toca Boca platform surpassing over 22 million monthly active users. Meanwhile, its Sago Mini app has crossed more than 185,000 subscribers.

With the key selling season ahead, continued purchases from its large customers, and stellar digital portfolio, Spin Master remains well-positioned to deliver robust growth.

CATEGORY

1. Coronavirus
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:TOY (Spin Master)

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