



## 3 Top TSX Stocks Set for a Year-End Rally

### Description

As we approach the end of 2020, we could see a bump in a few TSX stocks, as they are likely to witness their busiest days of the year. Despite plenty of uncertainty, few companies or sectors could mark high demand, which is expected to support their financials and, in turn, their stock price. Here's the list of top TSX stocks that are well positioned for a year-end rally.

### A leading air cargo company

Canada's leading air cargo company, **Cargojet** ([TSX:CJT](#)), is a top TSX stock that could witness a rally as we near the year end. The company's revenues and volumes are seasonal, and it sees the highest customer demand in the fourth quarter owing to the surge in retail activity amid the holiday season.

Investors should note that Cargojet has delivered exceptional sales and margins growth in the first nine months of 2020, which has led to a rally in its stock. Cargojet stock has increased over 134% on a year-to-date basis, as the COVID-19 pandemic has led to a surge in Cargojet's services and driven pricing in its international business.

Cargojet's total revenues jumped 38.2% in the [most recent quarter](#). Meanwhile, its gross margin expanded to 35.9% from 25.4% in the year-ago period. I believe with its next-day delivery capabilities and increased e-commerce volumes, Cargojet remains well positioned to benefit from the surge in demand. Besides, its long-term contracts, network expansion, and cost pass-through provisions lower the downside risk.

### A top toymaker

Toys are one of the top-selling items during the holiday season, which is why shares of **Spin Master** ([TSX:TOY](#)) should be on your radar. The company derives most of its revenues during the third and fourth quarters of its fiscal year (September and December ending quarters), which is likely to lift its stock higher.

The supply-chain disruption amid the pandemic weighed heavily on Spin Master stock. While its stock recovered sharply from the March lows, it's still down about 28% year to date, presenting an excellent entry point for investors to go long.

With its supply-chain operations coming back to the normal levels, expected increase in retail consumer traffic in North America, and continued purchases from large customers, Spin Master stock could witness a steep recovery and generate stellar returns. Its strong entertainment and digital toys properties further strengthen the bull case.

## A commerce-enabling company

As the e-commerce activity is expected to accelerate further during the holiday season, investors can bet on the shares of the commerce-enabling company **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#) ). Amid higher consumer demand, increased number of small- and medium-sized businesses is migrating towards the omnichannel POS, giving a [significant boost](#) to the shares of the Lightspeed POS.

The secular industry tailwind is likely to drive Lightspeed's gross transaction volume and customer base. The expansion of its products and offerings should support its average revenues per customer. Also, Lightspeed's focus on expanding its payments solutions business beyond North America opens up new growth avenues.

With the structural shift in selling models and a large addressable market, Lightspeed POS stock is expected to outpace the broader markets with its stellar returns.

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1. Coronavirus
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1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CJT (Cargojet Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:TOY (Spin Master)

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### Date

2025/08/26

### Date Created

2020/11/04

### Author

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