



3 High-Growth TSX Stocks to Buy in December

Description

November saw strong buying in the shares of the companies hit hard by the pandemic. Shares of **Air Canada** and **Suncor Energy** rebounded strongly and rose over 50% on positive vaccine data. Meanwhile, **Enbridge** and **Pembina Pipeline** also recorded double-digit growth in their stock this month. While November was strong, December brings another high-growth opportunity for investors.

Here are three **TSX** stocks that are likely to outperform the broader markets in December and deliver stellar returns.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is likely to be a key beneficiary of increased holiday spending in December. The structural shift towards an e-commerce platform amid the rising COVID-19 infections is expected to drive robust traffic growth and support its gross merchandise volume (GMV) and revenues.

Thanks to the increased traffic, Shopify delivered a 119% jump in its [GMV in Q2](#). Meanwhile, new stores on its platform jumped 71% sequentially. I believe Shopify could deliver an equal amount of growth or even better in the Q3 on the back of increased demand during the holiday season.

The rapid adoption of the digital platform creates a multi-year growth opportunity for Shopify and is likely to support the rally in its stock. Besides, its partnerships with **Facebook**, **Pinterest**, and **Walmart** should further drive the number of merchants onto its platform and help to up-sell its high-value offerings like Shipping and Capital, which is likely to cushion its margins.

Lightspeed POS

Like Shopify, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is expected to see an acceleration in demand for its products and offerings, thanks to the strong secular trends. Increased e-commerce activities are likely to drive more and more small and medium-sized retailers and restaurant operators to Lightspeed omnichannel payment platform.

Meanwhile, the company remains well positioned to capitalize on the rising demand and drive its average revenues per user through better monetization of its existing clients and up-selling its high-value products like accounting and loyalty.

Lightspeed's customer base is expected to show a significant jump amid strong demand. Meanwhile, its recent acquisitions are likely to accelerate its growth further. While Lightspeed's near-term prospects look strong, a large addressable market, expansion in the U.S., and structural shift in selling models provide a solid foundation for [long-term growth](#).

Cargojet

Cargojet ([TSX:CJT](#)) has performed exceptionally well so far this year, surging over 110% on a year-to-date basis and could rise even further on increased demand in December. The air cargo company's revenues and volumes are expected to show stellar growth in Q4, reflecting a surge in demand during the holiday season on account of higher retail activity.

Meanwhile, Cargojet's next-day delivery capabilities to most of the Canadians and strong competitive positioning should enable it to benefit from the surge in e-commerce activity.

Cargojet's base business remains strong with a high client retention rate, network and cost optimization, and long-term contractual arrangements. Meanwhile, consistent demand for its services helps it to deliver healthy growth.

Bottom line

Shares of these high-growth companies are likely to benefit from favourable industry trends and strong demand. Besides, all these **TSX**-listed companies have strong businesses that could help deliver outsized growth in the long run.

CATEGORY

1. Coronavirus
2. Energy Stocks
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:CJT (Cargojet Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

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