



Revealed: The 5 Best Canadian Stocks to Buy Ahead of 2021

Description

What a year it's been for all Canadian stocks. Some have performed well, some have been in survival mode, and others have traded flat. As we enter December, though, with vaccines on the way, it's time to look forward to 2021.

The recovery of the economy should dominate 2021. Other investing themes may be inflation and a continuation of the environmental conscious trend that's been growing in popularity. However, the most opportunities will come with the resurgence of the economy.

So, with that in mind, here are the five best Canadian stocks to buy for 2021.

TSX energy stock

The first stock I would consider adding is one of the best value stocks on the market today, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)).

Enbridge is a company that's crucial to the economy and one that's proven it can continue to grow over the long term. That's why it's so surprising that the stock has remained this cheap for so long.

In addition to being roughly 25% off its 52-week high, the stock also pays a dividend, which is currently yielding a whopping 8%.

The energy industry has been impacted significantly, but it's slowly on the road to recovery. So, you can be confident about taking a position in one of the most resilient energy stocks on the **TSX**, especially at such an attractive discount today.

Small-cap growth stock

In addition to traditional energy stocks that will likely see a major recovery in 2021, Investors should also consider increasing their exposure to clean energy stocks. One of the best to buy today is

Xebec Adsorption

(TSXV:XBC).

Xebec is not a traditional renewable energy stock. Instead, it produces equipment that filters and purifies naturally occurring gasses to turn them into hydrogen or renewable natural gas.

Companies are increasingly trying to find cleaner ways of operating from an environmental standpoint, and Xebec is one of the best options to help them do that.

The stock is up roughly 180% in the first 11 months of 2020, but 2021 looks like it could be its best year yet.

Top Canadian gold stock

One industry that's been lagging the last few months are gold stocks. However, [gold stocks](#) still have a lot of potential, especially over the long run. That's why **Equinox Gold** ([TSX:EQX](#)) is one of the best Canadian stocks you can add to your portfolio for 2021.

The company continues to ramp up production growing revenue and profitability. Plus, with more stimulus desperately needed, gold prices will have a lot of upside pressure over the short term. Combine that with ultra-low interest rates and inflation that will start to rise as we recover from the pandemic, and gold could again be a top performer in 2021.

The stock is up 35% so far year to date, but with Equinox now trading more than 25% off its all-time high, there's a tonne of upside potential.

Specialty finance stock

goeasy ([TSX:GSY](#)) has continuously been one of the top-performing Canadian finance stocks. The company predominantly offers high-interest loans to below prime borrowers. This is a business that investors were extremely cautious of during the initial stages of the pandemic.

However, the government acted quickly, getting the Canadian Emergency Response Benefit (CERB) in the hands of Canadians. This undoubtedly stopped a wave of delinquencies and kept goeasy's business in good shape.

Now, as we are on the way to recovering, [the stock is booming](#), much like its business will be. Canadians are going to need access to cash more than ever, so if goeasy can rapidly expand its loan book but do so in a prudent way, investors can expect to see more incredible growth from this top Canadian stock over the coming years.

Canadian tech stock

The last stock I would recommend investors consider is **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). Lightspeed is an exciting tech stock with a rapidly growing business. Its payment system serves several business industries in more than 100 countries around the world.

Lightspeed mostly works with restaurants and retail stores — two of the most impacted industries of the pandemic. So, for the stock to still be up roughly 90% year to date is a promising sign and shows investors have confidence in the Canadian tech stock long term.

These tech stocks have posted massive returns recently, making it crucial you have some exposure in your portfolio. Otherwise, you risk underperforming the market.

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TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:ENB (Enbridge Inc.)
4. TSX:EQX (Equinox Gold Corp.)
5. TSX:GSY (goeasy Ltd.)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:XBC (Xebec Adsorption Inc.)

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