



3 TSX Stocks That Could Deliver Higher Returns in 2021

Description

The favourable news on the vaccine against COVID-19 has improved investors' sentiments, driving the S&P/TSX Composite Index close to 13% higher since the beginning of November. The index now trades at over 3% higher for the year. Amid the improved investor sentiments, I believe these three TSX stocks could deliver superior returns next year.

BlackBerry

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) has been in the news for the last few days, as it has [joined hands with Amazon Web Services](#) to develop an Intelligent Vehicle Data Platform, which would allow automakers to read vehicle sensor data securely and create actionable insights. The platform could lower the timeline for automakers to develop new in-vehicle applications and connected services to enhance driver and passenger experiences. So, the announcement has led the company's stock to rise close to 38% this month.

Meanwhile, its Spark Suite platform has also been in high demand since launching in the first quarter. It has helped the company in acquiring numerous blue-chip clients. The company's growth prospects in Managed Detection and Response (MDR) segment also look healthy, given the expectation of growth in the segment over the next four years.

BlackBerry's QNX segment, which has been under pressure due to the sluggish automotive sales amid the pandemic-infused shutdown, has been showing some improvement with the reopening of the economy. Meanwhile, the company expects the segment to return to pre-pandemic levels in the early next year. So, given its high growth prospects, [I expect BlackBerry to deliver superiors returns in 2021](#).

Canopy Growth

Canopy Growth ([TSX:WEED](#))([NYSE:CGC](#)), one of the largest cannabis companies by market capitalization, is up over 45% since the beginning of November. Its impressive second-quarter performance and the legalization of cannabis in the five U.S. states drove the company's stock price

higher.

Further, the victory of Joe Biden in the United States presidential elections has also supported Canopy Growth's stock price rally. Biden's victory could hasten the cannabis legalization process at the federal level. Currently, 36 states have legalized cannabis for medical usage, while 15 states have legalized cannabis for recreational purposes.

New Frontier Data projects legal cannabis sales in the United States to reach \$35 billion by 2025, representing an 18% annualized growth over the next five years. So, given the high growth prospects, Canopy Growth has been focused on expanding its operations in the United States.

The company had launched its e-commerce website in July, which sells all its SKUs across the brands. Its subsidiary, BioSteel Sports Nutrition, has been expanding its footprint across the United States by partnering with Manhattan Beer and Reyes Beer Division. The company is also working with Acreage Holdings to introduce THC-infused beverages in the summer of 2021. So, given its growth potential, I expect Canopy Growth to do well in 2021.

Lightspeed POS

Since bottoming out in March, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is up over 640%. Meanwhile, I believe the rally to continue in 2021 as well, given its growing addressable market and expanding market share. Amid the pandemic, many small- and medium-scale retailers and restaurants have shifted to omnichannel solutions, driving the demand for the company's services. The structural shift has created a long-term growth opportunity for Lightspeed POS.

Currently, the company has implemented its products in around 80,000 customer locations. Meanwhile, AMI Partners has projected that there are approximately 47 million retailers and restaurants worldwide, which could be Lightspeed POS's potential customers. So, the company has significant scope to expand. Further, Lightspeed POS is looking at strategic acquisitions and developing innovative products to expand its customer base.

As of September 30, Lightspeed POS had access to \$513.1 million in unrestricted cash and cash equivalents. So, its strong financial position could support its future acquisitions.

CATEGORY

1. Cannabis Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BB (BlackBerry)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:WEED (Canopy Growth)

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