



## TSX Stocks: Here's My 4-Stock Diversified Growth Portfolio for 2021

### Description

Canadian stocks at large have marginally gained this year despite the pandemic. I think 2021 will be even more significant for them, driven by economic recovery and superior corporate earnings growth. Here are my four top **TSX** stock picks that offer market-beating growth prospects for 2021.

### Shopify

Despite the valuation concerns, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is my top pick for next year. It is trading at its all-time high and looks expensive. However, higher growth prospects and sound financials justify the premium valuation.

Shopify's growth just accelerated during the pandemic, and it won't stop next year when things come to normal. Along with setting up a digital store, Shopify helps small- and medium-sized businesses in payments processing, promotional activities, and more.

The company still has a [lot of growth potential](#) with a large addressable market and growing e-commerce. For example, online sales in the U.S. still form a tiny chunk of the overall retail sales. The changing consumer behaviour and their growing inclination towards e-commerce will drive Shopify's growth in 2021 and beyond.

### BRP

A powersports vehicle manufacturer **BRP** ([TSX:DOO](#))([NASDAQ:DOOO](#)) is my second pick for 2021. As discretionary spending is expected to normalize next year, BRP could see higher demand and improved earnings.

It already witnessed some notable green shoots in the recently reported quarter, which drove management to increase its earnings guidance for the next fiscal year.

BRP operates in 120 countries and is a leader in all-terrain vehicles and snowmobiles. The second

wave of the coronavirus pandemic might have stalled the demand recovery. But as leisure travel comes to normal next year, the recovery could soon attain full pace.

BRP stock has returned almost 500% in the last five years, significantly beating markets. Its superior earnings growth drove its stock all these years. Interestingly, BRP's superior earnings growth prospects, scale, and dominating market position could continue to drive the stock higher.

## Algonquin Power & Utilities

Top utility **Algonquin Power & Utilities** ([TSX:AQN](#))([NYSE:AQN](#)) stock could be a solid defensive bet among the 4-stock portfolio with a growth tilt. Its large regulated operations offer earnings stability while renewable assets offer growth.

It makes sense to hold at least one utility stock in your long-term portfolio. Utility stocks like Algonquin pay stable dividends and have less volatile stock price movements.

Algonquin stock has returned more than 700% in the last decade, notably outperforming peers and broader markets. It pays stable dividends and yields 4% at the moment.

Utilities generally outperform in low-interest-rate environments and market downtrends. Algonquin should provide you with a decent passive income and will provide stability for the long-term.

## goeasy

A consumer financial company **goeasy** ([TSX:GSY](#)) could be a solid pick for 2021. It is a \$1.4 billion company that operates through two segments: easyfinancial that provides loans to non-prime borrowers, and easyhome that leases brand-name furniture on lease.

goeasy stock is currently trading at \$95, close to its all-time high. It has almost tripled since its record lows in March. However, despite the rally, the stock does not look too expensive from the valuation standpoint. The rally can continue next year and beyond due to its diversified earnings base and expected pent-up demand.

After a notable drop in loan demand in the second quarter, the company saw a [decent demand recovery](#) in the third quarter. Next year, revenge shopping could be the new normal amid easing mobility restrictions and higher savings led by federal aids.

Higher loan originations and strong re-payment trends can continue to drive its earnings growth next year. This could be your top financial pick for 2021.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners
5. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:DOOO (BRP Inc.)
2. NYSE:AQN (Algonquin Power & Utilities Corp.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:DOO (BRP Inc.)
6. TSX:GSY (goeasy Ltd.)
7. TSX:SHOP (Shopify Inc.)

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