



3 Top TSX Stocks I'd Buy on a Pullback

Description

As the bulls wrest control of the market post the March selloff, most of the stocks listed on the **TSX** recovered their lost ground. Notably, a few TSX stocks are up over 500% from their March lows and continue to scale new highs with each passing day.

While these companies have strong fundamentals and benefit from secular industry trends, I would like to wait for a pullback as their valuations look stretched at the current levels. However, if you are looking to stay invested for a longer period, don't hesitate to pull the buy trigger on these top-performing stocks even at the current price levels.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock is on a dream run. It surged approximately 725% from its March lows and has created a significant amount of wealth for its investors in a short span. Lightspeed's astronomical growth reflects a steep rise in demand for its digital payment and e-commerce platform amid a structural shift of small and medium-sized businesses from traditional selling models.

The company benefits from secular industry trends, and I expect Lightspeed to continue to deliver robust sales growth over the next several quarters. Meanwhile, its client base is also likely to rise on the back of the sustained demand, recent acquisitions, and geographical expansion.

Lightspeed's average revenue per user is also likely to go up, thanks to the better monetization of its increasing gross transaction volume and up-selling of its high-value products. However, Lightspeed's forward P/S (price to sales) ratio of 44.5 seems high, and I would like to wait for a correction before buying its stock.

Docebo

Shares of the enterprise learning platform provider, **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)), has surged about 592% from its \$10.30 on March 18. The rapid shift toward remote work and learning accelerated the demand for its products and offerings.

The company's subscription revenues are growing at a breakneck pace, while its average contract value continues to rise. Notably, the company had performed exceptionally well, even in the absence of pandemic-led demand, which reflects the strength of the company's base business.

I believe any pullback in Docebo is an [opportunity to buy its stock](#) as the company could continue to benefit from its fast-growing customer base, multi-year contracts, low churn rate, and recent acquisitions. Moreover, increased adoption of the cloud-based corporate learning platform, targeted marketing campaigns, and a large addressable market provides ample room for growth.

Goodfood Market

Shares of **Goodfood Market** ([TSX:FOOD](#)) jumped 579% from its March lows, reflecting increased demand for online grocery services. While the online grocery industry continued to grow at a decent pace, the pandemic led to the acceleration in the adoption rate.

Thanks to the higher demand, Goodfood Market posted profits in the past two consecutive quarters. Meanwhile, its active customer base reached 306,000, reflecting year-on-year growth of about 33%.

I believe the demand for online grocery services would continue to rise even in the post-pandemic world, and Goodfood Market, with its robust last-mile delivery capabilities, extensive footprint, and growing scale remains well positioned to capitalize on the secular industry trend.

Goodfood Market is among the best stocks [you could buy below \\$50](#), and a healthy pullback could be an excellent opportunity for buying this high-growth stock.

CATEGORY

1. Coronavirus
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DCBO (Docebo Inc.)
4. TSX:FOOD (Goodfood Market)
5. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Tech Stocks

Date

2025/07/04

Date Created

2020/12/23

Author

snahata

default watermark

default watermark