



Forget a Market Crash: Here Are Top Growth Stocks to Buy in January 2021

Description

Market pundits kept blaring about the market crash, but stocks defied all pressures and kept on soaring higher in 2020. Next year can be quite similar with the pandemic's end in sight. Despite all the uncertainties, TSX stocks could continue their rally in 2021 and reach record highs.

You can consider putting a portion of your investable surplus into these top growth stocks for 2021. After all, [TSX growth stocks](#) have notably outperformed broader markets this year, despite the pandemic-led crash in March.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock had a great run and gained 145% this year. The rally can well continue next year with higher expected revenues and a growing e-commerce market.

A \$9 billion company, Lightspeed provides a cloud-based software solution platform for small- and medium-scale retailers and restaurateurs. The platform helps merchants manage inventory, accept payments, and engage with customers. Lightspeed earns revenues from the subscription fees as well as from the commission on every transaction.

The company has been on a growth path this year, despite the ravaging pandemic. Its recent [acquisitions](#) of Upserve and ShopKeep will grow Lightspeed's presence south of the border, which should help accelerate its top-line growth.

Lightspeed could be the next **Shopify** with its specialized focus on retail and restaurant space. The stock is trading at an all-time high and looks expensive at the moment. It has soared almost 800% since its record lows in March 2020. The rally can continue in 2021, driven by its higher growth prospects and re-opening economies after the pandemic.

Boyd Group

The \$4.8 billion **Boyd Group** ([TSX:BYD](#)) operates the biggest auto collision repair centre chain in North America. The stock has soared just 10% this year but has created massive wealth for shareholders over the years. If you invested \$10,000 in BYD stock a decade back, you would be sitting on \$425,530 today.

Though the business might seem uninteresting at first, Boyd Group is firmly consolidating in the fairly overlooked area. According to the company presentation, the total collision repair industry in North America is valued at approximately \$41 billion.

Boyd made nearly \$2.3 billion in revenues last year, which suggests a huge room for growth in this recession-proof industry. Boyd's extensive presence and scale are some of its key advantages and are tough to replicate.

The company could see a significant demand surge next year, as people travel more amid probably easing mobility restrictions. The stock is currently trading at 100 times its next year's earnings and looks overvalued. However, higher growth potential and its dominating position might continue to fuel the rally.

Bottom line

Investors should note that growth stocks generally trade at a large valuation premium, as the companies operate with higher margins and growing markets. Both the stocks discussed above are trading at premium valuation and exhibit above-average volatility. However, Lightspeed and Boys stocks have remarkably outperformed broader markets this year, despite the volatility and valuation concerns.

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1. Editor's Choice

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2. TSX:BYD (Boyd Group Income Fund)
3. TSX:LSPD (Lightspeed Commerce)

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