3 Stocks That Could Outperform the Markets in 2021

Description

After a whirlwind 2020, it is quite possible equity markets will take a breather this year. The COVID-19 pandemic continues to weigh on the global populace and governments all around the world are still providing residents with economic benefits to boost consumer spending. Further, energy prices are expected to remain volatile due to another round of lockdowns in Europe and the United Kingdom

However, there are a few companies that could gain momentum in 2021 and generate outsized gains for investors.

A cannabis giant

The first company on the list is leading marijuana player **Green Thumb Industries** (CNSX:GTII), a stock that has already gained 176% in the last year. Green Thumb is a U.S.-based cannabis company and unlike their Canadian counterparts, pot players south of the border have higher profit margins.

The marijuana sector was a big winner after Joe Biden won the presidential race. It seems very likely that the democrats will legalize cannabis consumption at the federal level which will be a key driver of top-line growth for Green Thumb and peers.

Green Thumb has close to 50 stores located across 11 U.S. states and is a market leader in the Land of Lincoln. Analysts tracking the stock expect Green Thumb to increase sales by 153.6% to $549 million in 2020 and by 53% to $841 million in 2021.

This means the stock is trading at a forward price to 2021 sales multiple of 6.92, which is very reasonable considering its stellar growth rates.

Booking.com

Companies in the travel and tourism sector have been the hardest hit amid the pandemic. But as the world reopens, post the deployment of COVID-19 vaccines, it's time to take a look at companies such as

Booking Holdings ([NASDAQ:BKNG](#)).

Booking Holdings has in fact performed well amid the pandemic-induced chaos and is up 9.3% in the last year. In the first nine months of 2020, the company's sales fell 53% year over- ear while profits were down by a staggering 94%. Investors are likely to remain bullish on booking as travel demand picks up in the second half of 2021.

Booking recently [announced a partnership with](#) Crypto.com where the latter's user base can avail discounts of up to 25% on accommodations on the travel platform. In the press release, Booking disclosed Crypto.com users will gain access to over 400,000 discounted properties as well as 28 million+ accommodation listings. Crypto.com, on the other hand, has over five million users.

Brookfield Renewables

Another red hot stock that will continue to gain momentum this year is **Brookfield Renewables** ([TSX:BEP.UN](#))([NYSE:BEP](#)). Shares of this renewable energy giant soared 74% in 2020 as investors expect the transition to clean energy to gain pace in the upcoming decade.

Brookfield Renewables is focused on inorganic growth and acquired TerraForm Power in an all-stock deal last year. This will increase the company's renewable power assets to 19,000 MW. In December 2020, Brookfield announced the acquisition of **Exelon's** solar assets for $810 million.

Brookfield owns and operates a diversified portfolio of renewable power assets allowing the firm to generate a steady stream of cash flows. Since the start of 2000, the stock has [generated an annual return](#) of 18%, easily outpacing broader indexes.

Its robust cash-generating assets mean Brookfield will be able to increase dividend payouts between 5% and 9%, making it a top pick for dividend and growth investors.

CATEGORY

1. Cannabis Stocks
2. Investing

TICKERS GLOBAL

1. CNSX:GTII (Green Thumb Industries)
2. NASDAQ:BKNG (Booking Holdings)
3. NYSE:BEP (Brookfield Renewable Partners L.P.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

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