



5 High-Potential Canadian Investment Ideas for 2021

Description

Despite the coronavirus pandemic ravaging the world for most of 2020, many stocks ended the year near their all-time-highs, which makes it a little more difficult to find high-quality investments that can earn similar returns in 2021.

Currently, most stocks that offer value do so because they are being impacted tremendously and therefore still have a tonne of risk.

These companies can offer some upside potential as the economy recovers from the pandemic. However, you'll want to diversify away from solely playing the coronavirus recovery.

Luckily, there are several investment themes to choose from when considering what stocks to buy in 2021. Here are the top five.

Pot stocks will be great long-term investments in 2021

Pot stocks have been quiet the last few years since their incredible rally ahead of legalization in Canada. Pretty early on, after the initial bubble burst, it was pretty clear that pot stocks still offered investors value.

The chances for massive overnight gains went away. However, pot stocks still offered long-term investors considerable potential. So far, in late 2020 and already in 2021, it looks like the cannabis industry is finally starting to consolidate.

Prices are coming down, new edibles and technology are reaching markets, and these companies are finally showing signs of reaching stable long-term profitability. Plus, the Canadian companies have also gotten a boost from election results in the United States.

So if you've been on the sidelines waiting to make an investment in the cannabis industry, 2021 may finally be the year you start to see action.

Bitcoin is gaining popularity

You could also consider an investment in cryptocurrency stocks for 2021. Whether you buy your cryptocurrency outright or decide to buy cryptocurrency stocks, there is a lot of potential in the industry in 2021.

Cryptocurrency is highly risky, though, so it's crucial you do a fair share of research on your own before you decide what you want to invest in.

With so many investors jumping on the [Bitcoin](#) bandwagon as of late, there is massive potential for investors going forward, which is why it's a top industry to invest in for 2021.

Psychedelic stocks could continue to boom in 2021

Another industry to consider an investment in for 2021, much like pot stocks, is the psychedelic medicine industry. The [psychedelics industry](#) has a lot of the same qualities cannabis had leading up to legalization.

In addition to becoming widely popular amongst retail investors as of late, some big-name investors such as Kevin O'Leary have also made investments in the space.

One of the leading companies in the industry has been **Mind Medicine Inc.** The stock is up more than 200% in the last three months, but at a market cap of just \$1.2 billion, it could offer a lot more upside for investors in 2021.

Renewable energy offers several opportunities

Renewable energy is another industry that will carry over its momentum from 2020. The need for environmental change only continues to become more urgent.

And with Joe Biden taking office next week as President of the United States, you can expect major growth potential from the green energy industry.

This includes renewable energy generators such as **TransAlta Renewables**, as well as companies that sell equipment allowing other businesses to lower their carbon footprint, like **Xebec Adsorption**.

Tech stocks will be great investments again in 2021

Finally, there's always opportunity in tech stocks. There are several subsectors in the tech industry offering exciting prospects for growth in 2021 and beyond. From artificial intelligence to the massive growth in e-commerce, plenty of tech stocks provide superior growth potential over the next few years.

While there are several top tech sectors to invest in ahead of 2021, 5G stocks have some of the most potential. 5G technology will open up millions of new technological possibilities making it one of the best investments you can make in 2021.

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