



## 3 Top Canadian Stocks to Buy in 2021

### Description

While many Canadian stocks lagged in 2020, 2021 is setting up to be a pretty good year for Canadian investors. Firstly, an economic recovery across the globe means Canada's commodity heavy indexes could see a nice uptick. Natural gas, oil, and base metals have largely suffered for the past five years. Yet, the pandemic has slowed infrastructure and manufacturing spend, meaning there is a lot of pent-up demand in the recovery. All this points to strong commodity demand that should create [strength on the TSX Index](#).

Secondly, many Canadian stocks, even technology/growth stocks (other than **Shopify**), still trade at discounted multiples to U.S. peers. Many of these stocks have equal or superior business fundamentals. If the TSX goes in vogue in 2021, Canadian growth stocks could see a nice catch-up to its American peers.

Below are some of my top Canadian stock picks that are setting up for strong performance in 2021.

### A top Canadian cyclical stock to buy in 2021

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) could have a very good year. It owns one of North America's largest network of oil and gas pipelines. While its business experienced some volume declines and operational disruptions in 2020, it generally performed with very stable results. It is a toll road for the energy industry. Most oil producers have no choice but to utilize Enbridge to get their oil to market.

Operationally, it has performed well, but most of its stock declines are due to negative sentiment in the oil industry. A recovery in oil prices would certainly give the stock upside. Also, Enbridge just got final approval for its Line 3 expansion project, which could give it a meaningful boost to fund flows later this year. This Canadian stock pays a massive 7.9% dividend and is a bargain today.

### A top Canadian tech stock for 2021

**Constellation Software** ([TSX:CSU](#)) is an incredible Canadian stock to own not just for 2021, but for

as long as possible! If you had bought Constellation in 2011 and held it for the next 10 years, you'd be sitting on a massive 3,258% return. That's an average annual return of 42%!

Now, due to the law of large numbers, this stock will likely not expand at the same pace as before. Yet, despite being a more mature business, its investment thesis is still attractive. Constellation is a serial acquirer of small, niche software-as-a-service businesses that have a dominant position in their individual markets. It has a very innovative management team, who are experts at creating compounding returns for investors. Compared to U.S. peers, the stock is relative a bargain, and I think that makes it a [great long-term buy today](#).

## A top value/growth stock for 2021

**Calian Group** ([TSX:CGY](#)) is perhaps a lesser-known stock trading on the TSX. Yet that is why it is one of my top Canadian stock picks for 2021. Many investors, especially institutions, don't know about it, making now a great time to buy.

Calian has four diverse segments in advanced technology (such as satellite communications), learning (emergency management/preparedness), health (e-health), and IT and cybersecurity. All of these segments have strong secular tailwinds supporting their growth. For the past three years, management has been targeting organic growth in each segment at 10%.

So far, it has done well in meeting that criteria. It has a strong cash-rich balance sheet and opportunities for acquisitions. Consequently, this stock could accrete very strong 12-15% annual gains going forward. Despite a strong year in 2020, the stock is still relatively cheap to its North American peers. That makes it my top Canadian stock pick for 2021.

### CATEGORY

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

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:CGY (Calian Group Ltd.)
3. TSX:CSU (Constellation Software Inc.)
4. TSX:ENB (Enbridge Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

### Category

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

### Tags

1. Editor's Choice

### Date

2025/08/21

### Date Created

2021/01/15

### Author

robbybrown

default watermark

default watermark