



Forget Cineplex (TSX:CGX): Buy These Future Stocks Instead

Description

No one could have predicted the tidal wave of change that 2020 brought as the COVID-19 pandemic shook much of the planet. Some trends that were apparent to kick off this decade have been accelerated by the pandemic and the economic environment that has emerged from it. Stocks like **Cineplex** ([TSX:CGX](#)) have been punished in this new world. For others, like **Shopify**, the future has never looked brighter. Today, I want to discuss why Cineplex should be avoided and what equities Canadians should target instead. Let's dive in.

Cineplex is facing a troubling uphill climb in 2021

Cineplex stock enjoyed a rebound in the late fall of 2020 and has generated some positive momentum over the past week. Its shares have climbed 10% in January as of close on January 14. The stock is still down 69% year over year. I'll be rooting for Cineplex and the movie theatre industry to overcome challenges in the months ahead. However, this stock is too volatile and risky for me to suggest in the middle of January. Instead, Canadians should keep their eye on future stocks that are positioned for big growth this decade and beyond.

This future stock is making noise in the streaming space

Before the COVID-19 pandemic wreaked havoc on the traditional cinema industry, I'd already suggested that investors should move on [streaming stocks](#). Everyone knows about streaming giants like **Netflix** and **Amazon Prime** in the United States. I'm talking about a small Canadian company that is attracting eyeballs in the promising children's demographic.

WildBrain ([TSX:WILD](#)) is a Halifax-based company that develops, produces, and distributes film and television programs worldwide. Its stock has increased 11% month over month as of close on January 14. WildBrain was formerly called DHX Media but changed its name to illustrate its commitment to its exciting streaming channel. Cineplex and the traditional cinema are under assault from streaming services. Investors should make sure they're on the right side of history in this ongoing battle.

In Q1 2021, WildBrain saw its net loss improve to \$3.3 million compared to a net loss of \$16 million in the prior year. WildBrain Spark revenue rose to \$8.9 million – up from \$6.5 million in the last quarter of fiscal 2020. Its audience watched 64.2 billion minutes of videos in the most recent quarter – up 14% year over year. Moreover, it expanded its promising partnership with **Apple** TV+ for the largest production commitment in its history.

While small, WildBrain is a future stock on the **TSX** that investors should not ignore.

One more future stock in a growing entertainment avenue

Enthusiast Gaming ([TSX:EGLX](#)) is the second future stock I'd target over Cineplex right now. This company is engaged in the media, events, and eSports businesses on a global level. The eSports space rattled off massive growth in the 2010s and is set to grow even more in the 2020s. Gamers can rejoice as eSports is even set to hold demonstrations during the 2024 Olympics.

Shares of Enthusiast Gaming have climbed 225% over the past three months. This is another stock I'd [suggested](#) that investors pounce on in early 2020. It's not too late to get in on this growing space today. This is a future stock even non-gamers can appreciate.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:CGX (Cineplex Inc.)
2. TSX:EGLX (Enthusiast Gaming Holdings Inc.)
3. TSX:WILD (WildBrain Ltd.)

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