18 Top TSX Stocks to Buy for 2021 and Beyond

Description

We asked our Foolish writers for their top ideas for 2021 – here are their choices:

Ryan Vanzo: Fairfax Financial

My top stock for 2021 is **Fairfax Financial** (TSX:FFH). The upcoming 12 months could turn volatile, and this stock is a great place to ride out the storm.

Founded by Prem Watsa — considered by many to be the Warren Buffett of Canada — Fairfax stock has a proven record of growth, even during turbulent markets. In 2008 and 2009, when global markets were plunging, shares actually *grew* in value.

The current bull run has left a lot of value stocks behind, Fairfax included. Shares now trade at a huge discount to their historical average, prompting Watsa to commence a major buyback program. Cheap shares and proven resilience make this an attractive stock for 2021.

Fool contributor Ryan Vanzo has no position in Fairfax Financial.

Puja Tayal: Suncor Energy

My stop TSX stock pick for 2021 is **Suncor Energy** (TSX:SU)(NYSE:SU). This will be a recovery year for oil stocks. This integrated oil company will benefit from rising oil prices and oil demand. If the COVID-19 vaccine rollout succeeds in easing travel restrictions, airlines will see pent-up demand. That will drive oil demand and Suncor's revenue. On the earnings front, Suncor could see uneven quarterly growth but double-digit growth for full-year 2021. If the company's management deems fit, it may significantly increase its dividend per share after slashing it by 55% last year.

Fool contributor Puja Tayal has no position in the companies mentioned.

Robin Brown: Calian Group

Most Canadians have probably never heard of **Calian Group** (TSX:CGY). Yet, that is why it is a great buy for 2021. It has a diversified set of operations focused primarily on government and institutionalized industries (military, healthcare, IT, and education). In 2020, the company had a phenomenal year growing revenues and adjusted EBITDA respectively by 26% and 36%.

In each of its segments, the company has a minimum 10% organic growth target. Growth should also be supplemented by an aggressive M&A strategy (it completed six acquisitions in 2020). Right now, the company has net cash of around $20 million. The stock remains cheap to peers, but unreasonably so. Its value/growth proposition makes it a perfect stock to buy in 2021 and hold for a very long time.

Fool contributor Robin Brown owns shares of Calian Group Ltd. The Motley Fool recommends Calian Group Ltd.

Nicholas Dobroruka: Brookfield Renewable Partners

Renewable energy was among the top-performing sectors in 2020.

The rally has been led by tech giants, such as **Amazon** and **Microsoft**, publicly committing to a long-term plan of becoming completely carbon negative. The newly elected U.S. president, Joe Biden, is another catalyst for the growth of green energy stocks. The new president has made his commitment to clean energy very evident, with plans on making significant investments into renewable energy infrastructure.

My top pick for 2021 is **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP).

In 2020, shares of Brookfield Renewable Partners were up 70%. Over the past five years, shares are up more than 200%.

The company is a subsidiary of the famed asset management firm, **Brookfield Asset Management**. The parent company has been a top TSX long-term hold for Canadian investors. It provides shareholders with market-beating growth potential, diversification, and a respectable dividend yield. Brookfield Renewable Partners is no different.

The renewable energy stock has crushed the Canadian market's returns over the past decade, it owns and operates facilities across all types of renewable energy sources, and owns a dividend yield of 2.4%.

Fool contributor Nicholas Dobroruka owns shares of Microsoft.

Andrew Button: The Toronto-Dominion Bank

My top stock for 2021 is The **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). TD is perfectly positioned to rally on the COVID-19 recovery, yet resilient enough to survive a longer-than-expected second wave. This makes it an excellent play for the uncertainties ahead this year.

Many analysts think that stocks that got beaten down by COVID-19 in 2020 will rise in 2021. The reason is that these companies took a hit to their earnings because of the pandemic, and stand to gain when they recover.

TD Bank is one of these stocks. In the second quarter, its earnings declined 52%, mainly because of higher loan loss provisions. In the third quarter, earnings grew sequentially but remained down 31% year-over-year. By the fourth quarter, earnings exploded, up 80% in GAAP terms or 1% as adjusted.

So, TD is already posting positive year-over-year growth—when most banks are still in a worse place than they were in 2019. This makes TD a great COVID-19 recovery play, as it stands to benefit from the recovery yet is in good shape for a scenario where the recovery takes longer than expected.

Fool contributor Andrew Button owns shares of Toronto-Dominion Bank.

Andrew Walker: Teck Resources

Teck Resources (TSX:TECK.B) (NYSE:TECK) has the potential to double in 2021.

The producer of copper, zinc, and metallurgical coal stands to benefit from major stimulus programs as governments spend to get their economies back on track.

Renewable energy initiatives in Europe and the United States could receive billions of dollars in investment funding. Wind turbines, solar panels, and electric vehicles, for example, all require significant copper.

Additional weakness in the U.S. dollar is expected in 2021. This should provide added support to base metal prices.

Teck might pull back a bit after the recent rally, but the stock should finish 2021 much higher than where it began the year.

Fool contributor Andrew Walker has no position in Teck Resources.

Jed Lloren: Shopify

My top stock for 2021 is **Shopify** (TSX:SHOP)(NYSE:SHOP). Although I find it hard to believe we'll see a second year in a row of +100% gains, no other company in Canada poses a risk to reward ratio better than Shopify at the moment. Currently, the largest risk that Shopify faces comes in the form of competitors.

However, the rewards associated with this stock significantly outweigh that risk. The company could very well 10X from this point. It has a firm leadership position within its industry and a management team capable of executing its mission. As worldwide e-commerce adoption continues to increase, accelerated by the COVID-19 pandemic, Shopify's business should continue growing for years to come.

Fool contributor Jed Lloren owns shares of Shopify.

Amy Legate-Wolfe: Canadian Imperial Bank of Commerce

We're not out of the woods yet. That means investors still need to prepare for another market crash, and potentially several. The best way to do that is through strong stocks with dividends. That makes **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) an ideal option.

Banks are some of the first to come back after a market crash, and CIBC climbed 71% between the market crash and the end of 2020. That brought it right back to pre-crash prices. Should another crash happen, CIBC should rebound even quicker, even if further crashes come down the line.

But CIBC is also ideal because during a crash you want dividends, and CIBC has the highest yield of the Big Six Banks at 5.42% as of writing, and a dividend compound annual growth rate (CAGR) of 6.24% during the last five years. So bring in income, and keep your investments safe this year with a stock like CIBC.

Fool contributor Amy Legate-Wolfe does not own shares in any of the stocks mentioned.

Vineet Kulkarni: goeasy

My top stock pick for the year 2021 is the top consumer lending company **goeasy** (TSX:GSY). Its latest quarterly earnings saw some green shoots in the form of higher loan issuances and improvement in repayment patterns.

The early signs of recovery are indeed encouraging for a company like goeasy. It might see higher loan demand in the post-pandemic environment. Non-prime lending is a comparatively less-served market in Canada valued at $231 billion. Thus, goeasy has immense growth potential with its prudent underwriting and omnichannel distribution.

Despite being in a risky industry, this Canadian consumer lender has managed significant growth in the last decade. It has created generous wealth for its shareholders by returning 1,400% in this period, including dividends.

GSY stock soared more than 30% last year. Interestingly, the stock still seems to have large growth potential with a discounted valuation.

Fool contributor Vineet Kulkarni does not have any positions in the stocks mentioned.

Sneha Nahata: goeasy

goeasy is my top stock pick for 2021. The subprime lender has performed exceptionally well over the past several years and has delivered stellar bottom-line growth. While the COVID-19 outbreak took a toll on the profitability of lenders, goeasy delivered strong double-digit growth in its bottom line, which indicates the strength of its core business.

I believe widespread vaccine distribution and economic reopening are likely to improve consumer demand and drive goeasy's credit portfolio. Meanwhile, its channel and geographic expansion, new products, and lower cost base position it well to deliver robust earnings in 2021.

Thanks to its high-quality earnings base, goeasy has consistently boosted its shareholder's returns through higher dividends. The company has raised its dividends for six years in a row and remains on track to increase it further in 2021.

Fool contributor Sneha Nahata has no position in any of the stocks mentioned.

Jitendra Parashar: Corus Entertainment

Corus Entertainment (TSX:CJR.B) is my top stock pick for the year 2021. Despite being an established mass media and entertainment firm, it is consistently taking initiatives to improve profitability and drive operational efficiencies. That is why its adjusted net profits have improved sequentially for the last 10 quarters in a row.

The company's TV advertising segment demand has shown key strength in the last couple of quarters. Corus Entertainment's ambitious plan to build a content powerhouse is likely to accelerate its already strong global licensing business revenue growth in the near term.

Its fast-recovering TV advertising demand and solid licensing business are two of the key reasons why Corus Entertainment's stock has nearly doubled in the last six months. Its stock rally could gain momentum in the coming quarters as it continues making progress towards its long-term strategic plan with stronger profits.

Fool contributor Jitendra Parashar has no position in any of the stocks mentioned.

Ambrose O'Callaghan: Jamieson Wellness Inc.

My top stock for 2021 is **Jamieson Wellness** (TSX:JWEL). The company is a Toronto-based developer, manufacturer, distributor, and marketer of natural health products in Canada and around the world. Jamieson is one of those rare companies that have thrived during the COVID-19 pandemic. Health conscientiousness has increased around the world, boosting demand for natural health products and supplements.

In the year-to-date period as of Q3 2020, Jamieson had delivered adjusted earnings of $30.3 million compared to $23.8 million in 2019. Jamieson posted 82% growth in its international business in that third quarter. Aging demographics and a shifted health consciousness following the pandemic should bode well for Jamieson. I'm stashing this exciting stock for the long term in 2021.

Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.

Rajiv Nanjapla: BlackBerry

Despite its underperformance last year, I have selected **BlackBerry** (TSX:BB)(NYSE:BB) as my top pick for this year. The weakness in the automotive sector had weighed heavily on its financials and stock price in 2020. However, the company's growth prospects look promising. BlackBerry has partnered with Amazon to develop and market its Intelligent Vehicle Data Platform, called IVY. The platform would help automakers collaborate with developers to quickly bring new offerings to the market, thus improving vehicle performance and reducing maintenance and repair expenses.

Further, BlackBerry is also well-positioned to capitalize on electric vehicle market growth. It has already secured design wins with 19 electric vehicle OEMs (original equipment manufacturers), which together have acquired a significant share in the EV market.

Further, its cybersecurity and endpoint management solutions, such as Spark Suite and Cyber Suite platforms, have helped the company acquire many blue-chip clients. Despite its high growth prospects, the company trades at a forward price-to-sales multiple of 4.8, representing a considerable discount from its peers.

Fool contributor Rajiv Nanjapla has no position in any of the stocks mentioned.

Kay Ng: Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)(NYSE:BAM) is my top pick for 2021. It is a worthy core holding and growing to be more diversified than ever!

BAM is a leading global alternative asset manager with sizeable businesses in real estate, renewable power, infrastructure, private equity, and credit. Its assets under management (AUM) are at US$575 billion and growing. About half of its AUM is fee-bearing capital.

Some of the large-cap growth stock's recent big moves include spinning off its reinsurance business in the first half of 2021 and acquiring the portion of Brookfield Property it does not already own.

At US$38.50 per share (or roughly CAD$49 per share), BAM stock trades at a discount of approximately 21% from analysts' average 12-month price target. It is attractively priced for estimated annualized returns of 17-20% over the next five years.

Fool contributor Kay Ng owns shares of Brookfield Asset Management.

Daniel Da Costa: Brookfield Asset Management

My top pick for 2021 is one of the top long-term TSX stocks you can buy, **Brookfield Asset Management**. From 2010 to 2020, Brookfield earned investors a roughly 500% return.

Today, the stock is facing short-term headwinds due to the coronavirus pandemic. These headwinds have created an incredible buying opportunity for such an impressive long-term business.

Not only will it bounce back from the pandemic, but it will be stronger than ever as Brookfield's forte is taking advantage of these types of situations to make value accretive acquisitions.

Brookfield offers investors superior long-term potential with minimal risk, making it the top stock to add to your portfolio in 2021.

Fool contributor Daniel Da Costa owns shares of Brookfield Asset Management Inc.

Karen Thomas: Ballard Power Systems Inc.

The fuel cell market is finally gaining significant momentum. Governments around the world are turning to fuel cells to power their buses and trains. Companies are increasingly turning to fuel cells to power their trucks. The benefits of fuel cells are clear. They're powerful, reliable, and are quick to refuel. They're also becoming cheaper. All of this has raised fuel cells as a clean alternative to power vehicles.

Ballard Power Systems Inc. (TSX:BLDP)(NASDAQ:BLDP) is at the forefront of this movement. With a sizable market share, Ballard continues to cement its standing in the rapidly growing fuel cell industry. 2021 will see continued adoption of fuel cells. It will see continued acceptance of this clean energy source. The market size is huge. Its expected growth is also huge. Ballard Power stock will continue to rise based on all of this.

Fool contributor Karen Thomas owns shares of Ballard Power Systems Inc.

Stephanie Bedard-Chateauneuf: Lightspeed POS

Lightspeed POS (TSX:LSPD)(NYSE:LSPD), a Montreal-based point-of-sale and e-commerce software provider, is my top TSX stock pick for 2021.

After soaring over 160% in 2020, Lightspeed is already up more than 10%. As small to medium-sized retailers moved their businesses online during the pandemic, demand for the company's products and services grew.

Demand for Lightspeed's services should continue to rise in 2021, given a large market, a shift to online shopping, and the company's innovative portfolio of products and solutions.

Lightspeed is also focusing on acquisitions to expand its business. The company recently completed the acquisitions of Upserve and ShopKeep. Revenue is expected to grow by 63.7% to about $198 million for 2021.

Fool contributor Stephanie Bedard-Chateauneuf does not have any positions in the stocks mentioned.

Joey Frenette: Alimentation Couche-Tard Inc.

My top pick for 2021 is **Alimentation Couche-Tard** (TSX:ATD.B). Shares of the Canadian convenience store kingpin recently fell under pressure due to confusion regarding the firm's pursuit of stressed-out French grocer Carrefour.

While Couche's decision to get into the low-margin grocery retail arena confuses some, I think such a Couche-Carrefour tie-up is a brilliant move that could evolve the convenience retailer into something far more special over the long-term. Couche-Tard's grocery endeavour could ultimately unlock, not destroy, substantial value for long-term shareholders. My takeaway? Ignore the bears and buy the dip before shares of ATD.B have a chance to correct upwards.

Fool contributor Joey Frenette owns shares of Alimentation Couche-Tard Inc.

Brian Paradza: Grande West Transportation

Grande West Transportation (TSXV:BUS) is a Canadian mid-sized bus manufacturer that is set to enjoy phenomenal revenue growth after entering the battery-electric bus market this year. The tiny company started receiving large bus orders from the United States late last year and its has a sizable delivery backlog to be cleared during the first half of 2021 that will boost liquidity and profitability in 2021.

Production capacity is increasing significantly and EV bus demand in North America is expected to increase at a compound annual growth rate of 28.5% between 2020 and 2030. Management anticipates rapid EV bus sales growth in the near future. Grande West could experience exponential business growth post-COVID-19.

The EV bus launch attracted market attention for the nano-cap stock and its shares have doubled during the first two weeks of trading in 2021. Momentum remains strong for another triple-digit return this year.

Fool contributor Brian Paradza has no position in the stock mentioned.

Demetris Afxentiou: Fortis

My Top Stock for 2021 is **Fortis** (TSX:FTS)(NYSE:FTS). As one of the largest utilities on the continent, Fortis can appeal to growth and income-earning investors alike.

Utilities are great investments with huge defensive appeal. This is especially true during times of uncertainty, of which 2021 will have plenty. Fortis boasts an impressive portfolio of assets that are located across Canada, the U.S., and the Caribbean. In total, those assets represent $56 billion in assets and 3.3 million utility customers.

That impressive footprint and sheer size translates into a steady revenue stream, and by extension a handsome quarterly dividend. Fortis' dividend currently works out to a respectable 3.90% yield.

Adding to that appeal is the fact that Fortis has provided investors with consecutive annual bumps to that dividend for well over four decades. If Fortis continues that trend, 2021 will represent the 48th consecutive year of increases.

Fool contributor Demetris Afxentiou owns shares of Fortis.

CATEGORY

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2. NASDAQ:BLDP (Ballard Power Systems Inc.)
3. NASDAQ:MSFT (Microsoft Corporation)
4. NYSE:BB (BlackBerry)
5. NYSE:BEP (Brookfield Renewable Partners L.P.)
6. NYSE:BN (Brookfield Corporation)
7. NYSE:CM (Canadian Imperial Bank of Commerce)
8. NYSE:FTS (Fortis Inc.)
9. NYSE:LSPD (Lightspeed Commerce)
10. NYSE:SHOP (Shopify Inc.)
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Date
2025/09/26
Date Created
2021/01/19
Author
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