



## 3 Top Canadian Stocks to Buy in 2021

### Description

Although the Canadian equity markets are trading closer to their all-time high, the rally in the following three stocks could continue, given their large addressable market and expanding market share.

### Canopy Growth

Boosted by Democrats taking control of both Senate and House and the five states in the United States legalizing their cannabis programs, **Canopy Growth** ([TSX:WEED](#))(NYSE:CGC) stock has risen 69.5% since the beginning of November. Meanwhile, [the rally could continue](#), given the cannabis sector's high-growth prospects.

Euromonitor International [projects](#) the global legal cannabis market to reach \$95 billion by 2025, representing an annualized growth rate of 27.7% from \$28 billion in 2020. With the United States, Canada, and Germany accounting for 90% of the global cannabis market, Canopy Growth focuses on these markets. In Canada, the company is focusing on improving the quality of its value products, expanding its Cannabis 2.0 portfolio, and increasing its retail presence to expand its market share.

In the United States, the company has planned to triple the production of its Storz & Bickel vaporizer products amid increased demand. Further, Canopy Growth has partnered with **Acreage Holdings** to introduce THC-infused beverages in California and Illinois in the summer of this year. Given its strong liquidity of \$1.72 billion, Canopy Growth is well positioned to fund its growth initiatives.

Canopy Growth has not become profitable yet. However, the company has taken many cost-cutting initiatives, including slashing its workforce and shutting down its production facilities to reduce its losses. The company's management expects to report positive adjusted EBITDA in fiscal 2022.

### Northland Power

Amid the concerns over rising pollutions, the interest in clean energy has been increasing, driving renewable energy stocks higher. **Northland Power** ([TSX:NPI](#)), a clean energy developer, is up 8% this

year after delivering impressive returns of around 70% last year.

Given Joe Biden's inclination towards clean energy, I believe the sector could witness robust growth over the coming years. Northland Power owns or has economic interests in facilities generating around 2.7 gigawatts of power. Further, it has approximately 130 megawatts of power-generating assets under construction.

The company also acquired three onshore wind development projects in New York, which could become operational in 2022. Further, these projects could allow the company to expand its operations in the U.S.'s clean energy market. So, the company's growth prospects look healthy.

Despite the substantial rise in its stock price and high growth prospects, Northland Power is trading at an attractive valuation, with its forward price-to-earnings multiple standing at 30.3. Meanwhile, the company also pays monthly dividends of \$0.1 per share, representing a dividend yield of 2.4%.

## Lightspeed

Since bottoming out in March, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) has returned an impressive 745.9% as of Thursday. Meanwhile, the rally could continue, given its growing customer base, large addressable market, and shift in customers' preferences towards online shopping.

At the end of its September-ending quarter, Lightspeed POS had implemented its products at 80,000 locations, representing a 40% year-over-year growth. Meanwhile, AMI Partners has estimated that around 47 million retailers and restaurants operate worldwide, which can be the company's potential customers.

Lightspeed Payments division is also witnessing robust growth, with the company processing over 10% of its gross transaction value through Lightspeed Payments in the U.S. retail sector. Further, its recent launches — Payments for the retail sector in Canada and the U.S.'s hospitality sector — are also showing significant growth. Additionally, the company is also working on acquisitions to expand its operations geographically.

### CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:NPI (Northland Power Inc.)

5. TSX:WEED (Canopy Growth)

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## **Author**

rnanjapla

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