



The 3 Best TSX Stocks to Buy Under \$100 in February

Description

I believe the expected improvement in the economy, recovery in demand, and the continued spending on e-commerce is likely to spur business growth and support the uptrend in the top TSX stocks. While I remain optimistic about equities, I believe a few TSX-listed stocks are better placed than others to deliver outsized growth in 2021.

I have chosen three top TSX stocks that you can [buy right now](#) to outperform the benchmark index handily in 2021. Also, you don't need a large upfront investment amount, as these stocks are trading under \$100.

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock delivered impressive returns in 2020, and I expect the momentum in its business to sustain in 2021, thanks to the strong secular tailwinds. Despite the easing of lockdown measures and expected growth in physical transaction volumes, I believe the adoption of e-commerce platform is likely to remain high and support the uptrend in Lightspeed stock.

As the small- and medium-sized restaurant operators and retailers continue to shift towards the omnichannel platform, the demand for Lightspeed's digital products is expected to remain elevated. Lightspeed's cloud-based payment platform is expected to witness strong growth, while its payment revenues are likely to stay high, led by the continued increase in its customer locations.

Lightspeed's growing customer base, geographic expansion, and increased ARPU (average revenue per user) position it well to capitalize on the growing demand. Further, its recent acquisitions are likely to accelerate its growth and drive its customer locations.

Suncor Energy

With the COVID-19 vaccine development and mass distribution expected in the second half of the year, now is the time to bet on **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock while it is still trading low. I believe the economic expansion and revival of energy demand are likely to provide a strong base for growth.

Crude oil prices have recovered significantly and are expected to trend higher in 2021. Meanwhile, the demand is likely to accelerate in the coming months, driving Suncor Energy stock higher. While Suncor's revenues are likely to show sequential improvement, its low-cost base and integrated business model are expected to cushion its profitability.

Suncor Energy stock is down about 45% in one year and presents an excellent entry point at the current price levels. Moreover, it offers a decent dividend yield of 3.9%.

Dye & Durham

Dye & Durham ([TSX:DND](#)) stock is expected to benefit from the economy's reopening. Continued [momentum](#) in its base business and its recent acquisitions are likely to drive its revenues and adjusted EBITDA.

Dye & Durham's revenues and adjusted EBITDA have increased at a CAGR of 65% and 107%, respectively, from FY16 to FY20. Meanwhile, it completed 19 acquisitions since 2013.

Dye & Durham's diversified customer base, high retention rate, and long-term contracts with its top 100 clients indicate that the company could continue to deliver strong revenues and EBITDA in the coming quarters. Moreover, Dye & Durham's recent acquisitions are expected to accelerate its growth rate and support the uptrend in its stock.

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SU (Suncor Energy Inc.)
3. TSX:DND (Dye & Durham Limited)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SU (Suncor Energy Inc.)

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