



3 Top TSX Stocks to Buy Right Now

Description

The rally in equities continues in 2021, leading many to believe that high valuations could drag the stock market down. I don't foresee a stock market crash, even though most Canadian stocks are looking a bit expensive. On the contrary, I believe the valuations would appear normal once the recovery picks up the pace and corporate earnings revive.

Vaccination and economic expansion are likely to provide a strong underpinning for growth in 2021. Moreover, I would urge investors to maintain a long-term outlook on stocks to generate strong returns from the recovery in demand.

Dye & Durham

I expect **Dye & Durham** ([TSX:DND](#)) stock to significantly [outperform](#) the benchmark index in 2021 and deliver outsized growth, thanks to the multiple growth catalysts. The increase in economic activities is likely to drive demand for Dye & Durham's cloud-based tech platform that supports legal and business professionals.

Dye & Durham could continue to benefit from momentum in its base business. The company has over 25,000 active customers, with none of the customers accounting for more than 2% of its revenues. Its diversified customer base adds stability and helps the company to generate predictable revenues.

Further, Dye & Durham's growth could accelerate, thanks to its recent acquisitions. Since December, the company announced four acquisitions that are likely to drive its business, add customers and expand its global footprint. Its revenues and EBITDA are growing at a breakneck pace and could continue to push its stock higher in the future.

goeasy

goeasy ([TSX:GSY](#)) provides non-prime leasing and lending services and is expected to benefit from the economic reopening. With the increase in economic activities, goeasy is witnessing a recovery in consumer demand, which is likely to drive its loan portfolio and support its revenues and earnings growth.

goeasy's earnings have grown at a double-digit rate over the past several years, and I expect the momentum to sustain in the future. The large non-prime credit market, geographical expansion, and new product opportunities could drive its revenue and profitability.

Besides capital appreciation, goeasy's shareholders are likely to benefit from its higher dividend payments. It has paid dividends for 16 consecutive years. Further, it has raised it in the last six years. Currently, goeasy pays an annual dividend of \$1.80, reflecting a decent yield of 1.7%.

Lightspeed

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has surged significantly, up about 782% since its March lows. Despite the stellar run-up in its stock, Lightspeed could play out well and deliver [exceptional returns](#) in the long term.

The company's revenues are growing at a brisk pace. Moreover, it continues to expand its customer base, which bodes well for growth. The structural shift in selling models is driving demand for Lightspeed's cloud-based multichannel solutions. Meanwhile, its payments volumes are growing at an astounding pace as small and medium-sized businesses adopt its omnichannel platform. Lightspeed's customer base increased to 84,000 locations in Q3, up from 66,000 in the year-ago quarter. Meanwhile, its payments volumes and revenues are growing at a very high rate.

Apart from the strength in its base business, Lightspeed is likely to benefit significantly from its recent acquisitions of ShopKeep and Upserve. I believe the demand for Lightspeed's offerings could stay elevated. Moreover, a large addressable market and acquisitions are likely to accelerate its growth, in turn, drive its stock higher.

Final thoughts

Despite the rally in these **TSX** stocks, I see further upside on the back of continued strength in the underlying business and recovery in demand. Meanwhile, large addressable market, opportunistic acquisitions, and industry tailwinds are likely to drive these stocks higher in the long term.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)

2. TSX:DND (Dye & Durham Limited)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Tech Stocks

Date

2025/07/06

Date Created

2021/02/10

Author

snahata

default watermark

default watermark