



3 TSX Stocks That Could See a Sudden Surge in 2021

Description

2021 was supposed to be a year of recovery, and it might still be, but the new strains of COVID are rekindling the fears of a new wave across the globe. Over 221 new variant cases have been identified in Alberta alone. It's not yet confirmed whether the new variant spreads more easily or has a higher mortality rate, but even if it significantly undermines the effectiveness of current vaccines, the fears would be well founded, and it might start the cycle that brought about the 2020 crash.

But that's still a distant possibility, and there is a strong probability that the market will stay strong and is aligned with the slowly recovering economy. But in either case, there are stocks that should be on your radar for a sudden surge.

An LMS company

Docebo ([TSX:DCBO](#)) is a Toronto-based company that focuses on Learning Management Systems (LMS). The company offers learning solutions, platforms, and related services to the corporate world, which makes on-boarding and training (of employees, partners, and customers) easier. The company peaked during the pandemic, which can be attributed partly to the growth spurt of the tech sector and partly to the company's own business model.

The valuation has leveled out a bit, but the chances are that if the company lands more major clients in the future when remote working becomes the norm, the stock might start climbing again. The stock is currently quite overpriced, but it still has the potential to grow more, especially if we see another round of lockdowns.

A golden company

Franco-Nevada ([TSX:FNV](#))([NYSE:FNV](#)) is currently in the cool-off period after its sprint to the top, and the stock price has fallen almost 31% from its peak during the pandemic. But unlike many other gold companies, especially [mining companies](#) whose valuations are tied quite strongly to the gold price, Franco-Nevada had a decent growth record even before the pandemic shot the valuation through the

roof.

But if the market gets shaky again, people might start focusing on the safe-haven metal, and many gold stocks, including Franco Nevada, might see their value rise. It's also a Dividend Aristocrat, but the yield is not high enough to be a major deciding factor.

An industrial stock

Xebec Adsorption ([TSX:XBC](#)) is one of the stocks that rode the growth wave the followed the market crash, and the company grew its market value by over 430% at its highest point. The stock is falling right now, going towards a more fair valuation. But it was a powerful growth stock before the market crash as well, and once the downward momentum breaks, the chances are that it will start growing at its rapid pace again.

Another reason to count on this company is that it's integrated well with the green energy industry. It already has 65 renewable natural gas installations worldwide and 250 hydrogen installations. With a globally diversified client portfolio, the chances are that the company's revenues will stay relatively safe even if it faces challenges in the local market.

Foolish takeaway

If you believe that a market crash is coming, then the pool of securities you can choose from would be significantly larger. And if the market keeps on recovering and continues its upward momentum, you will have to find [hidden gems](#), especially in troubled sectors that have the potential to surge to a higher valuation in 2021.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:FNV (Franco-Nevada)
2. TSX:DCBO (Docebo Inc.)
3. TSX:FNV (Franco-Nevada)
4. TSX:XBC (Xebec Adsorption Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

Date

2025/08/23

Date Created

2021/02/20

Author

adamothonman

default watermark

default watermark