



Got \$2,000? The 2 Best TSX Stocks to Buy for 2021 and Beyond

Description

The rally in Canadian stocks continues in 2021, and I expect the momentum to sustain on the back of the recovery in demand, the vaccination, and an improving economic outlook. With the growth in the background, I have chosen two **TSX** stocks that could deliver outsized returns in 2021 and beyond. So, if you've got \$2,000 to invest in equities, consider buying these high-growth TSX stocks right now.

goeasy

I expect **goeasy** ([TSX:GSY](#)) to [deliver robust returns](#) in 2021 and over the next decade, thanks to its high-growth business and high-quality earnings base. I believe the uptick in economic activities and easing lockdown measures are likely to act as a strong growth catalyst for goeasy, driving its consumer loan portfolio. Further, a lower cost of borrowing and cost-control measures are expected to cushion its bottom line and, in turn, drive its stock higher.

The non-prime leasing and lending company is witnessing improvement in loan originations. Meanwhile, its omnichannel model, geographic expansion, and increased penetration of secured loans and risk-adjusted rate further strengthen my bullish view on goeasy stock.

goeasy projects its top line to increase at a double-digit rate over the next three years, reflecting continued growth in its consumer loan portfolio, the opening of new easyfinancial locations, and expansion of its high-growth point-of-sale channel. Meanwhile, improving operating leverage from scale is expected to drive its earnings.

goeasy stock is up about 30% on a year-to-date basis and could continue to rise higher with the improvement in its financial and operating performance. Investors are also expected to gain big from its healthy dividend payments. It paid dividends since 2004 and has raised the same at a CAGR (compound annual growth rate) of 34% over the past seven years. Recently, it announced a 47% growth in its annual dividends and is offering a decent yield of 2.1%.

Lightspeed

Lightspeed ([TSX:LSPD](#))([NYSE:LSPD](#)) has delivered incredible returns in 2020 and is up over 832% since its March lows. Despite the recent surge in its stock, I [expect the rally to sustain](#) on the back of increased demand for its cloud-based omnichannel platform.

Lightspeed's ability to drive revenues, expand the customer base, launch new products, and acquire accretive businesses position it well to benefit from the structural shift in selling models towards the omnichannel platform.

Further, strong momentum in its payment business and growth in the number of customers adopting more than its one software module augurs well for growth and is likely to drive its average revenue per user higher.

Thanks to the favourable industry trends and a large addressable market, I expect Lightspeed's business to grow rapidly over the next decade. Its diverse customer base, the addition of new customer solutions and modules to its platform, and significant growth opportunity in its payment-processing business provide a strong underpinning for growth. Furthermore, its ability to build value through acquisitions and expand into newer markets and business verticals bode well for growth.

Bottom line

Though both these stocks have rallied significantly in the recent past, I see further upside. Strong secular industry trends, a large addressable market, accretive acquisitions, and growing scale are likely to drive their stocks higher.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GSY (goeasy Ltd.)
3. TSX:LSPD (Lightspeed Commerce)

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Date

2025/08/23

Date Created

2021/02/22

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