



The 5 Best TSX Stocks to Buy With \$5,000 for 2021

Description

We witnessed a strong recovery rally in several TSX-listed stocks in 2020. Despite the uptrend, the momentum in several stocks is likely to sustain in 2021 and beyond, thanks to the favourable industry trends and revival in demand.

If you plan to invest \$5,000 in equities, I have selected five TSX stocks that I believe could continue to rise higher in 2021 and deliver strong returns.

Shopify

Thanks to the continued spending on e-commerce platforms, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) could continue to outperform the broader markets by a significant margin in 2021. I believe the shift towards digital commerce provides a strong base for Shopify's growth, driving its stock higher.

Favourable industry trends, large addressable market, multiple sales channels, and expansion of high-value products are likely to act as key growth catalysts. Meanwhile, significant growth opportunities stemming from its multi-currency payments solutions, expansion of fulfillment network, and capital services augur well for growth.

Lightspeed POS

A structural shift in selling models and increased adoption of omnichannel payment platform provides a multi-year growth opportunity for **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). The company is witnessing strong demand for its digital products, as an increased number of small- and medium-sized businesses are using its platform to accept payments and manage their operations.

Thanks to the strong demand for its cloud-based platform, Lightspeed's customer base is growing fast. Further, its recent acquisitions are likely to enhance its growth rate by adding new customers and expanding its geographic reach. I expect the momentum in its payment solutions business to sustain in 2021, supporting its growth. Moreover, its average revenue per user is expected to increase on the back of higher demand for its software modules and new products.

goeasy

goeasy ([TSX:GSY](#)) is [likely to benefit](#) from the revival in consumer demand. Its loan portfolio is expected to expand, driving its top line at a healthy pace. Moreover, operating leverage and strong customer payment performance are likely to drive its bottom line.

goeasy projects its revenues to increase at a double-digit rate over the next two years, reflecting continued demand for its exiting lending products, a large addressable market, and new delivery channels. Moreover, its EPS could continue to grow at a breakneck pace during the same period. Thanks to its high-quality earnings base, goeasy is likely to boost its shareholders' returns through higher dividend payments.

Dye & Durham

I believe the recent pullback in **Dye & Durham** ([TSX:DND](#)) presents an excellent opportunity to buy this high-growth stock. Its appetite for acquisitions and strength in the base business is likely to drive its revenues and adjusted EBITDA and, in turn, its stock. Further, its diverse blue-chip customer base and lower churn rate are expected to support its stock.

Dye & Durham projects its adjusted EBITDA to more than double in the current fiscal year. Further, it expects its adjusted EBITDA to increase by over 150% in FY22, strengthening my bullish view on its stock.

Suncor Energy

I have said before that I expect oil prices to trend higher in 2021, which is expected to [drive the recovery](#) in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock. So far this year, Suncor Energy stock is up about 26%, and the uptrend could sustain, reflecting economic expansion and improvement in demand.

While its top line is expected to gain from higher average prices and year-over-year improvement in volumes, its low-cost base could cushion its earnings and support its dividend payouts. Suncor Energy's integrated business model and long-life assets augur well for future growth. Further, its stock offers a decent yield of 3.1%.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks

4. Energy Stocks
5. Investing
6. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:DND (Dye & Durham Limited)
5. TSX:GSY (goeasy Ltd.)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:SHOP (Shopify Inc.)
8. TSX:SU (Suncor Energy Inc.)

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