



These 4 Canadian Stocks Rose Over 10% last Week: Should You Buy?

Description

Amid the ramp-up in vaccine distribution, higher oil prices and optimism over the new US\$1.9 trillion fiscal stimuli in the United States continue to drive the Canadian equity markets, with the **S&P/TSX Composite Index** hitting a new all-time high on Friday and rising 2.6% for the last week. Meanwhile, the following four Canadian companies outperformed the broader equity markets last week by rising over 10%. Let's see whether the uptrend can continue in these stocks.

Aphria

After witnessing a significant fall over the last few weeks amid fears of Reddit investors targeting cannabis companies, **Aphria** (TSX:APHA)(NASDAQ:APHA) bounced back strongly last week, with its stock price rising by 25.7%. Despite the surge, the company still trades 39% lower than its 52-week high. Meanwhile, [I believe the uptrend in Aphria could continue](#), given its healthy growth prospects and expanding cannabis market.

The company's management expects to close its proposed merger with **Tilray** by the end of the next month or early May. The merger could significantly strengthen the combined entity's market share in Canada and international markets. Further, the merger could save around \$100 million of synergies within the first two years of the transaction. The company is also increasing its footprint in the growing United States cannabis market through its recent acquisition of SweetWater Brewing Company.

Facedrive

Last week, **Facedrive's** (TSXV:FD) key executives, including the company's chairman and CEO Sayan Navaratnam, had voluntarily agreed to stretch the lock-up period of their shares. The company had also [announced](#) that its contact-tracing platform, TraceSCAN, had achieved a "co-sell ready" status on the **Microsoft** Partner Network, which could expand its reach through Microsoft's global customer and partner base. These announcements appear to have increased investors' confidence, leading Facedrive's stock price to rise 19.5%.

Apart from its healthcare vertical, its other verticals, such as Facedrive Rideshare, Facedrive Marketplace, Facedrive Social, and Facedrive Foods, offer high-growth prospects. However, the company is currently trading at a significantly high valuation, with its price-to-book multiple standing close to 230. So, I will be skeptical about initiating a buy on Facedrive.

Lightspeed POS

After witnessing a significant sell-off over the last few weeks amid stock rotation by investors, **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) has bounced back strongly last week, with its stock price rising close to 16.5%. On Thursday, the company announced to have signed an agreement to acquire Vendlimited, a cloud-based retail management software company. The acquisition could double Lightspeed's customer base in Asia-Pacific while further expanding its retail footprint in that region.

Meanwhile, I believe the uptrend in Lightspeed could continue, given the structural shift towards online shopping, its pipeline of innovative product offerings, and aggressive geographical expansion through acquisitions. Last month, the company had raised US\$676.2 million through new equity offerings, which could support its future acquisitions to expand and strengthen its footprint geographically.

Air Canada

Amid the expansion of vaccination distribution and expectation of government aid to the aviation industry, **Air Canada** ([TSX:AC](#)) continued its uptrend last week, with its stock price rising 10.5%. The company is trading over 30% higher for this year. However, the company is down significantly from its pre-pandemic highs, providing an excellent buying opportunity.

The Canadian government expects the vaccine to be available to everyone by the end of September. The widespread distribution could prompt governments to lift travel restrictions. Further, the pent-up demand could drive travel and leisure spending, which could benefit Air Canada. Meanwhile, the company is also focusing on expanding its cargo business to meet the growing demand. It has also significantly reduced its expenditure to cut down on its losses. So, Air Canada could deliver superior returns over the next two years.

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3. TSX:AC (Air Canada)
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5. TSXV:STER (Facedrive Inc.)

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Date

2025/09/13

Date Created

2021/03/15

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