



3 of the Best Canadian Large-Cap Stocks to Buy in March 2021

Description

I expect the top Canadian large-cap stocks to deliver superior returns in 2021 and beyond, thanks to their competitive advantage over peers and higher market share. I believe the improving fundamentals position them well to benefit from the increased consumer demand.

I have selected three such large-cap TSX-listed stocks that I believe could handily outperform the broader markets.

Shopify

Canada's largest publicly traded company, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), is a must-have stock in your portfolio. The e-commerce company has delivered astronomical growth in the past, and the uptrend in Shopify stock is likely to sustain, reflecting a strong secular industry trend.

Notably, Shopify stock has corrected by over 15% in March and is down over 22% in one month, which I believe presents an excellent buying opportunity for long-term investors. I believe increased spending on the e-commerce platform and a continued shift towards the omnichannel selling models are likely to drive the demand for its products and services.

I believe Shopify's focus on adding new sales and marketing channels, expansion of its fulfillment network, and increased adoption of its multi-currency payment platform is likely to drive its merchant base and help the company capitalize on the favourable industry trends. Moreover, Shopify's improving operating leverage augurs well for future growth and is likely to drive its stock higher.

Scotiabank

I have a bullish outlook on top [Canadian bank stocks](#), primarily on **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), as the economic expansion and its exposure to the high-growth markets are likely to give a significant boost to its revenues and earnings and, in turn, its stock.

I believe the expansion of its loan portfolio and a sharp decline in credit provisions are likely to drive Scotiabank's bottom line. Scotiabank's exposure to the high-quality banking markets, technology

investments, and a strong balance sheet bode well for future growth.

I expect to see a strong rebound in Scotiabank's financials, especially in the core markets, thanks to the government support, economic recovery, and ongoing vaccination. I believe 2021 to be a transition year for banks, and Scotiabank's earnings are likely to full power, driving its stock and dividends higher. The bank's dividends have grown by about 6% annually over the past decade, and it offers a decent yield of over 4.5%.

Suncor Energy

I believe the faster pace of economic recovery is likely to drive [significant upside](#) in **Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) stock. Furthermore, the company's improving operational flexibility and value-driven investments are likely to improve its business process, reduce costs, and enhance margins.

Notably, improving demand, higher volumes, and an increase in average realized prices are likely to boost its financials significantly. Meanwhile, its integrated business model, improved product mix, and lower cost base augur well for growth.

With an improved operating environment and increasing cash flows, Suncor is likely to reduce debt and boost its shareholders' returns through share repurchases and dividend payments. Suncor is expected to buy back shares worth \$500 million to \$1 billion. Moreover, the company is expected to maintain and increase its quarterly dividend in the future and currently offers a healthy yield of over 3%.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SHOP (Shopify Inc.)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:SHOP (Shopify Inc.)
6. TSX:SU (Suncor Energy Inc.)

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