



3 Top TSX Stocks to Buy for April 2021

Description

The equity markets have been extremely volatile in the last month. A rise in interest rates has sparked inflation fears, which in turn has impacted tech stocks that were trading at a steep valuation.

However, every major dip in the price of quality stocks provides investors an opportunity to buy them at a lower valuation. We'll look at three stocks on the TSX that should be on your radar right now.

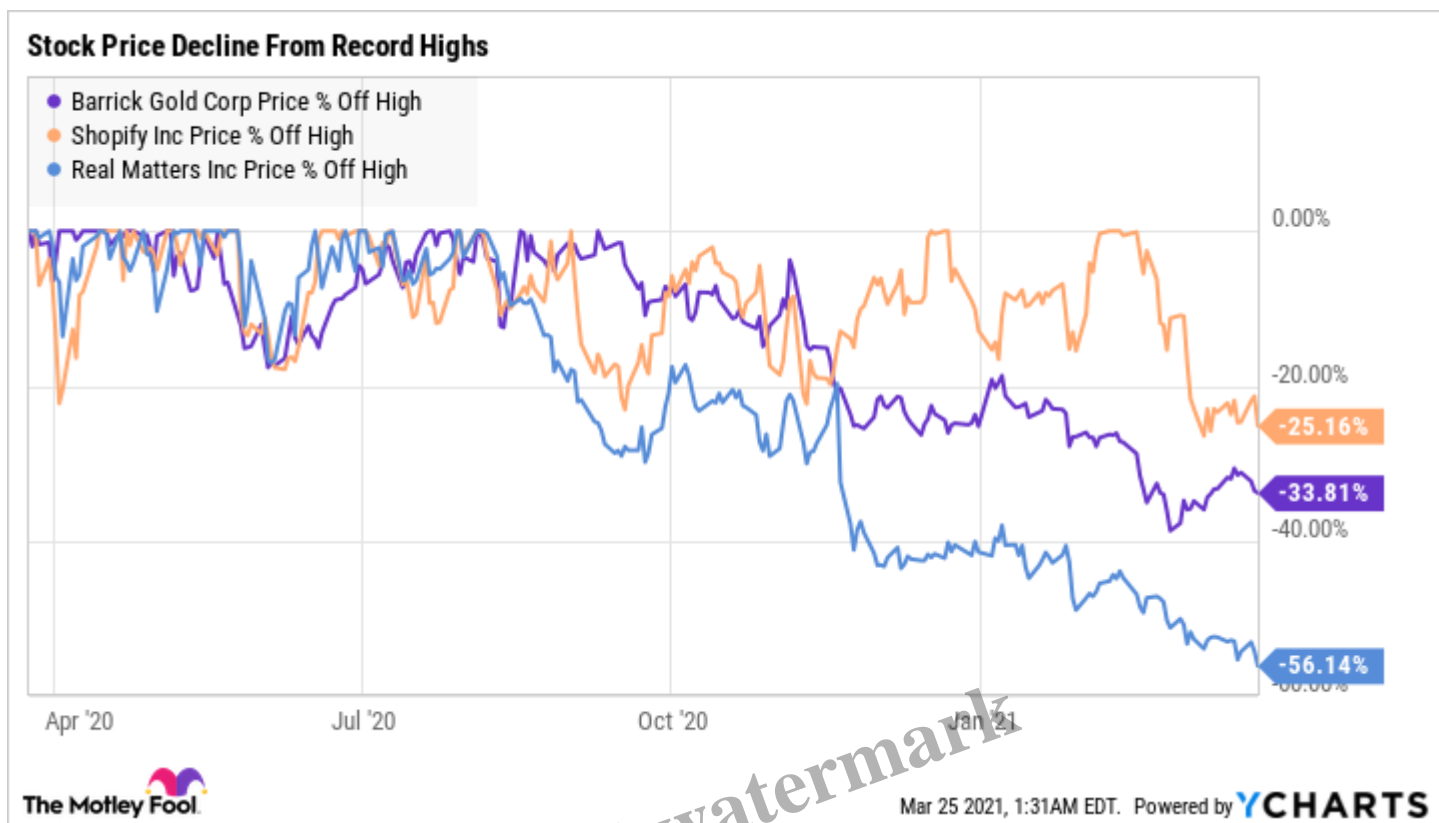
Barrick Gold

Gold prices and interest rates have an inverse relationship. As investors are expecting bond yields to stage a turnaround in 2021, gold prices might come under the pump. As a result, gold mining companies have underperformed the broader markets in the last few months.

For example, **Barrick Gold** ([TSX:ABX](#))(NYSE:GOLD) stock is trading 34% below its 52-week high. Barrick Gold is one of Canada's largest companies and has returned close to 50% in the last five years, despite the recent sell-off.

The company sold US\$1.5 billion [in non-core assets](#), which strengthened its balance sheet. In 2020, its free cash flow rose 27% to a record high of US\$3.4 billion, which also allowed Barrick to achieve its goal of zero net debt by the end of the last year. This is a massive achievement, considering Barrick's debt stood at US\$13 billion back in 2013.

Barrick Gold stock is trading at a forward price-to-earnings multiple of 15.3, which is very reasonable considering analysts expect its earnings to grow at an annual rate of 24.2% in the next five years.



Shopify

Shares of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are currently trading at \$1,390, which is 25% below its record high. Shopify has been one of the top-performing companies on the TSX and has returned 4,350% since its IPO in 2015. This means a \$1,000 investment shortly after Shopify's IPO would have ballooned to \$44,350 today.

The COVID-19 pandemic acted as a tailwind for e-commerce companies, including Shopify. As people were largely confined to their homes, they had no option but to shop online, and this accelerated the trend towards online buying. It's quite possible that this shift in consumer behaviour will drive top-line growth for Shopify and peers in the upcoming decade.

Shopify managed to almost double its sales in 2020. While revenue growth will decelerate this year, analysts expect sales to rise by 39.4% to US\$4.1 billion in 2021, allowing it to support a steep price-to-sales multiple of 33.2.

Real Matters

A low interest rate environment has driven demand for mortgages higher in the past 12 months. As the housing market heats up, investors can [look to buy shares](#) of **Real Matters** ([TSX:REAL](#)). The company offers residential mortgage appraisals for the purchase, refinancing, and home equity transactions to the mortgage lending industry.

It also provides residential and commercial real estate title and closing services for refinance, purchase, and commercial transactions to financial institutions.

Real Matters stock is trading at \$14.4, which is 56% below its record high. However, analysts expect sales to increase by 22.3% to \$198 million in 2021 and by 19.3% to \$236.5 million in 2022. Real Matters is valued at a market cap of \$1.21 billion, indicating a price-to-sales multiple of 6.1 and a price-to-earnings ratio of 22.

Comparatively, Bay Street expects earnings to rise by 18% in 2021 and 26% in 2022. Analysts covering the stock have a 12-month average price target of \$22.46 for Real Matters, which is 55% above its current trading price.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:REAL (Real Matters Inc.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

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

Category

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

Date

2025/08/24

Date Created

2021/03/25

Author

araghunath

default watermark