



This TSX Stock Is Way Better Than GameStop

Description

All the way back in January 2020, I'd [discussed](#) why investors should jump into the video game sector. The video game industry has broadened its demographic appeal over the past decade. Now, it has grown into one of the most formidable and profitable sectors in entertainment. This passion manifested in a strange way, as investors flocked to **GameStop** ([NYSE:GME](#)), in direct opposition to some of the biggest short-sellers on Wall St. The run has been equal parts fascinating and exciting, but I've got my eyes on another TSX stock in this sector in the early spring.

Why GameStop is in another rut

GameStop stock [regained momentum](#) in late February. The stock challenged resistance at the US\$300 price point in the first half of March. Shares have still climbed 74% month over month, even after a recent dip.

Interestingly, the late-winter hype has not hinged on hopes to force a short squeeze. Instead, GameStop enthusiasts are optimistic that the video game retailer can transition into a power in the e-commerce space. Ryan Cohen, the co-founder and former CEO of **Chewy**, now serves on GameStop's board of directors. Cohen is viewed as a visionary voice that may be able to steer the struggling retailer in a bold new direction.

This transformation has yet to even reach the early stages, but there is a huge market in the e-commerce space. Moreover, GameStop saw global e-commerce sales jump 175% in Q4 2020. I'm looking to another TSX stock today, but GameStop is still worth monitoring in the months ahead.

Here's a TSX stock in the gaming space to snatch up in late March

Enthusiast Gaming ([TSX:EGLX](#)) is a Toronto-based company that is engaged in the media, content, entertainment, and esports businesses in North America and around the world. Shares of this TSX

stock have climbed 98% in 2021 as of late-afternoon trading on March 26. Enthusiast has soared nearly 500% in the year-over-year period.

The company released its fourth-quarter and full-year 2020 results on March 22. Revenue rose 34% in Q4 2020 to \$42.5 million and direct sales grew 230% to \$3.3 million, both compared to the previous quarter. Paid subscribers grew 60% for the full year, fueling the jump in direct advertising sales. Revenue per viewer also jumped 100% compared to the third quarter.

Investors have seen many sectors succumb to the COVID-19 pandemic. Video games are typically consumed in a solitary space, which means that the pandemic has done little to slow interest. *GTA V*, the Rockstar Games release from 2013, became the best-selling entertainment product in the history of any medium by 2018.

Enthusiast is also fortunate to be in the esports business. A report from *BusinessInsider* projected that total esports viewership is expected to grow at a CAGR of 9% from 2019 through 2023. Investment in the booming business have also surged since the late 2010s.

Canadians should look for exposure to this booming space. GameStop is an interesting case, but I'm looking Enthusiast's way in the spring of 2021. This TSX stock is one of the best candidates to stash for the future.

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2. TSX:EGLX (Enthusiast Gaming Holdings Inc.)

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