



18 Top TSX Stock Picks for April 2021

Description

We asked our Foolish writers for their top ideas for April 2021. Here are their choices:

Amy Legate-Wolfe: Magna International

Everyone hopped onto the Electric Vehicle (EV) bandwagon and almost immediately jumped back off. But what made investors interested hasn't changed. By 2030, EVs will take up the majority of new vehicles created by car manufacturers. That leaves an excellent opportunity for **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) investors. The company creates car parts but recently created a joint venture with **LG Electronics**. The goal is to support the growing global trend towards vehicle electrification. This is especially true for EVs.

Yet the company has drool-worthy fundamentals, making it an ideal value stock. Magna has a price-to-sales ratio of 0.8, and a price-to-book ratio of 2.2. Meanwhile, earnings per share is expected to grow by 261% in the next year after the fall in 2020. Shares are at all-time highs, up 213% in the last year and 486% in the last decade for a compound annual growth rate of 19%. So, no matter who you are, this stock looks like an excellent long-term hold.

Fool contributor Amy Legate-Wolfe does not have a stake in Magna International Inc. or LG Electronics.

Stephanie Bedard-Chateauneuf: WELL Health

WELL Health ([TSX:WELL](#)) is my top stock for April.

WELL Health owns and operates a portfolio of primary healthcare facilities. Growing demand for telehealth services and its aggressive acquisition strategy have boosted the company's financials and stock price.

In the fourth quarter, WELL Health posted record revenue and its first positive EBITDA in history. Quarterly revenue was \$17.2 million, up 75% year over year. EBITDA was \$0.77 million compared to a

loss of \$0.31 million a year earlier.

WELL Health is looking to enter the lucrative U.S. healthcare market. Its recent acquisition of CRH Medical will pave the way for better access.

Fool contributor Stephanie Bedard-Chateauneuf has no position in any of the stocks mentioned.

Karen Thomas: BlackBerry

Well, **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) stock is falling ... and fast approaching \$10. And it's for this very reason that I can recommend this stock once again. After flying high in a Reddit-induced buying frenzy, we can now focus on BlackBerry's fundamentals once again. And these fundamentals are nothing short of spectacular.

Award-winning technology, a strong financial position, and exposure to two of the biggest growth industries are the key themes of BlackBerry's top pick status. In fact, I expect that BlackBerry's traction in the cybersecurity and car connectivity industries will solidify in 2021 and beyond. I think now is finally BlackBerry's time to begin to really shine.

Fool contributor Karen Thomas has no position in any of the stocks mentioned.

Ambrose O'Callaghan: TC Energy

My top stock for April 2021 is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). The Calgary-based company develops and operates energy infrastructure in North America. Its shares had climbed 15% in 2021 as of mid-afternoon trading on March 29.

The optimism for a global recovery has built momentum for oil and gas prices in late 2020 and early 2021. WTI crude looks to be on the rebound after suffering a dip in the last days of March. TC Energy put together a strong 2021 in the face of very challenging conditions. It took a hit due to the loss of the permit for the Keystone XL Pipeline but still has a deep project pipeline.

Shares of TC Energy possess a favourable price-to-earnings ratio of 12. Moreover, it offers a quarterly dividend of \$0.87 per share. That represents a strong 5.8% yield.

Fool contributor Ambrose O'Callaghan has no position in any stocks mentioned.

Jed Lloren: Docebo

My top stock for April is **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)). Not only is the company one of the more interesting growth stocks on the TSX, but it's also a timely buy today. Year to date, the stock has fallen around 35%. However, it's still up more than 275% over the past year. It's safe to say these past few months have been a steady correction after a red-hot 2020. Docebo is quickly emerging as a leader in its industry. In its short history, the company has managed to land an integration with **Salesforce** and a multi-year partnership with **Amazon**. Those are two very impressive companies that speak to the quality of Docebo's offering. This is one stock that has given investors an excellent

opportunity to load up for the future.

Fool contributor Jed Lloren owns shares of Docebo Inc.

Daniel Da Costa: Shopify

My top stock recommendation for April has got to be **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Shopify is well known to be one of the most revolutionary tech stocks in Canada. The e-commerce industry is one of the best long-term growth industries, and Shopify is at the centre of all that momentum. Plus, in addition to all the long-term growth potential Shopify offers, the stock is also significantly undervalued today. Over the last few weeks, shares have lost 30% of their value. The stock now trades well below its consensus analyst target price of nearly \$1,900. This is an insane discount and creates a major buying opportunity for investors, making it one of the best stocks to consider for April.

Fool contributor Daniel Da Costa has no position in any of the stocks mentioned.

Andrew Button: Royal Bank of Canada

In 2021, we're seeing investors pile back into value stocks after a year of tech stock euphoria. And bank stocks have been among the biggest beneficiaries of the trend. As of this writing, the **iShares S&P/TSX Capped Financials ETF** was up 14% for the year. **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) has been among the biggest winners of the generally bullish financial sector in 2021.

Over the 12 months prior to this writing, RY stock had risen 60%. For the year to date, it was up 11%. These results were driven by some solid quarters that showed the bank walking off its COVID-19 era damage. In its most recent quarter, RY's net income was up 10%, diluted EPS was up 11%, and PCLs were down 16 basis points. PCLs are loan loss reserves; the lower they are, the less risky the bank's assets are thought to be. RY's lower PCL were a big part of its Q1 growth. The bank also had a 12.5% CET1 ratio — far above regulatory requirements.

For these reasons, RY is a solid bank play in 2021.

Fool contributor Andrew Button owns shares in Royal Bank of Canada

Jared Seguin: Bank of Nova Scotia

My top pick for April is **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)). This is a high-quality, blue-chip stock offering an attractive dividend to investors. While many stocks across the broader Canadian market have returned to hitting new highs on a frequent basis, BNS still makes for a solid long-term play at these prices due to its rock-solid dividend and penchant for finding reliable growth avenues. As of this writing, this banking giant is trading at \$79.34 and yielding 4.54%. Investors in it for the long haul should find that to be enticing. With many stocks reaching new heights recently, BNS is one such stock you can bank on going forward.

Fool contributor Jared Seguin has no position in any of the stocks mentioned.

Jitendra Parashar: Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is my top pick for April. Its stock has risen by 15% in 2021 after sliding by 21% last year. The Calgary-based energy firm is known for its strong profitability, which continued to improve last year, despite COVID-19-related headwinds. Enbridge's adjusted net profit margin expanded to 12.5% in 2020 compared to 10.7% in 2019. While the company reported an 8% drop in its earnings last year, I expect its earnings trend to significantly improve this year due to a surge in demand for energy products. Also, Enbridge rewards its investors with solid dividends. Currently, its stock, at \$46.57 per share, has an attractive dividend yield of 7.2%. Investors' and analysts' high expectations from its Q1 results could drive its stock higher in April.

Fool contributor Jitendra Parashar has no position in any of the stocks mentioned.

Joey Frenette: TC Energy

My top pick for the month is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). The stock is currently down just over 20% from its February 2020 all-time highs, with a bountiful, but safe 5.8% dividend yield. The midstream liquids transporter is geographically diversified with "moaty" assets that run through Canada, the U.S., and all the way down to Mexico. Despite COVID-19 headwinds and the Keystone XL project's demise, income investors can trust the handsome payout. The company hiked its payout by over 7% last month — just another one of many annual raises by one of Canada's most resilient dividend growers. At 14.4 times next year's expected earnings and 4.3 times sales, TC Energy is a great way to have your cake and eat it too, as the company looks to continue climbing back to pre-pandemic highs.

Fool contributor Joey Frenette has no position in any of the stocks mentioned.

Nicholas Dobroruka: Toronto-Dominion Bank

My top pick for the month of April is the Canadian bank **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)). After a disappointing 2020, the undervalued Canadian banks have been riding a strong bull run as of late. Shares of TD were down a couple of percentage points in 2020 but are already up more than 10% year to date.

The market-beating growth is certainly great for shareholders, but I've got my eye on TD for more reasons than just growth. If you're looking to earn passive income, there aren't many better choices on the TSX than the Canadian banks. Even though TD's share price is soaring, its annual dividend of \$3.16 per share is still close to a 4% yield. Lastly, it's the \$150 billion bank's U.S. presence that has it on my radar. TD Bank is already ranked as one of the 10 largest banks in the U.S., so TD shareholders can benefit from both diversification and growth from the bank's U.S. operations.

Fool contributor Nicholas Dobroruka has no position in any of the stocks mentioned.

Kay Ng: Enghouse Systems

I had trouble choosing a top pick for this month, as the stock market has recovered from the pandemic market crash. My top pick from last month, **Enghouse Systems** ([TSX:ENGH](#)) stock, remains relatively cheap. So, I'm choosing it again. Enghouse has a strong track record of outperformance with a 10-year annualized return of close to 29%. Its growth has slowed during the pandemic period with its Q1 revenue growing "only" 7.6%. It could take a few quarters or longer before Enghouse can prove that it can restart the growth trajectory of the company with acquisitions post-pandemic. If you look at its technical chart, you can see the stock is not out of the woods yet. So, investors might get another chance to buy the tech stock in the sub-\$60 level this month.

Fool contributor Kay Ng owns shares of Enghouse Systems.

Puja Tayal: Shopify

My top TSX stock pick for April is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) once again. Last month, I'd recommended the stock because there was a correction coming, as the pandemic-induced rally started normalizing. This means the 95% revenue growth Shopify saw in the last three quarters will now slow to 50%. But data from Health Canada shows another spike in COVID-19 cases. The United Kingdom is approaching the third wave, and a lockdown is already in place in Germany. All this will help Shopify stock return to growth in April. Apart from the pandemic situation, Shopify has all the elements to become the next **Amazon**.

Fool contributor Puja Tayal has no position in the companies mentioned.

Rajiv Nanjapla: goeasy

goeasy ([TSX:GSY](#)), which services sub-prime borrowers, has returned over 29% this year, comfortably outperforming the broader equity markets. Its impressive fourth-quarter performance and promising guidance for the next three years have boosted its stock price. Meanwhile, I believe the uptrend to continue, as improvement in economic activities amid the ongoing vaccination drive and economic expansion could increase loan origination and repayment patterns.

Further, the company's increased penetration, newer products, and expanding addressable market augurs well with its growth prospects. It had also raised its 2021 dividends by 47% to \$2.64 per share, representing a forward dividend yield of 2.1%. The raising of dividends depicts the confidence of the management over its future earnings and cash flows.

Fool contributor Rajiv Nanjapla has no position in any of the stocks mentioned.

Robin Brown: VieMed Healthcare

VieMed Healthcare ([TSX:VMD](#))([NASDAQ:VMD](#)) is a relatively unknown stock to many Canadian investors. It is a leading provider of in-home respiratory care products and services in the United

States. Due to COVID-19, the company saw a massive increase in demand for ventilators and respiratory equipment. Consequently, in 2020, VieMed saw net sales, net income, and adjusted EBITDA blossom by 63%, 270%, and 117%, respectively. While growth will likely be negative in 2021, this stock still has upside.

The company has \$24 million in net cash, opportunities for an acquisition or two, and solid organic growth prospects in its core in-home health business. This company wins from trends like ageing baby boomers, a growing preference towards home health care, and even telehealth. VieMed stock is relatively cheap, so I think it is a great long-term buy here.

Fool contributor Robin Brown owns shares of Viemed Healthcare Inc.

Ryan Vanzo: BlackBerry

My top stock for April is **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)). If you want to maximize your long-term upside, few investments are better than this. Right now, BlackBerry is valued at just \$6.7 billion. That may sound like a fair price for a defunct smartphone manufacturer, but you should know that the company hasn't produced a phone for years. Right now, it's a leading provider of cybersecurity software.

How much upside is there? If shares achieved the sector-average multiple, the stock would easily double or even triple. Long-term organic growth will add even more upside. Now is the time to strike before the market catches on.

Fool contributor Ryan Vanzo has no position in any of the stocks mentioned.

Sneha Nahata: Shopify

Despite the expected normalization in demand and tough year-over-year comps, I am bullish on **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). I believe the spending on e-commerce is likely to increase, providing a multi-year growth platform. Besides the favourable industry trend, Shopify's expansion of fulfillment network, increased adoption of its payment platform, and addition of more value-added products augur well for growth. Furthermore, Shopify's addition of new sales channels, international expansion, and a large addressable market should help the company to deliver strong sales in the future. Also, Shopify stock has witnessed a pullback in the recent past, providing an excellent entry point for long-term investors.

Fool contributor Sneha Nahata has no position in any of the stocks mentioned.

Vineet Kulkarni: Tourmaline Oil

Tourmaline Oil ([TSX:TOU](#)) stock has soared around 300% in the last 12 months, and I think it still has considerable steam left. Superior earnings growth and discounted valuation make it an appealing bet at the moment. Tourmaline's net earnings jumped a notable 920% year over year in Q4 2020, mainly due to higher demand and soaring prices. The trend will likely continue as the company intends to increase production in 2021. Tourmaline Oil increased its Q1 2021 dividends by 14% thanks to its

higher free cash flows. Interestingly, there is big scope for further dividend increase considering its lower payout ratio. TOU stock yields 2.7% at the moment. Tourmaline is a solid long-term bet due to its stable dividend profile and healthy earnings prospects.

Fool contributor Vineet Kulkarni has no position in any of the stocks mentioned.

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TICKERS GLOBAL

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4. NYSE:BNS (The Bank of Nova Scotia)
5. NYSE:ENB (Enbridge Inc.)
6. NYSE:MGA (Magna International Inc.)
7. NYSE:RY (Royal Bank of Canada)
8. NYSE:SHOP (Shopify Inc.)
9. NYSE:TD (The Toronto-Dominion Bank)
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