# 2 Top Canadian Stocks I Would Buy With $2,000 for 2021

## Description

Despite expensive valuation, uncertainty over the pace of economic recovery, and rising COVID-19 infections, I am upbeat on **Shopify** (TSX:SHOP)(NYSE:SHOP) and **goeasy** (TSX:GSY) stock. I expect both these companies to deliver stellar returns on the back of a large addressable market, product expansion, and strong demand.

So, if you've got $2,000, consider buying these top TSX stocks now.



## Shopify

Shopify stock is up about 61% in one year. However, it witnessed sharp selling in the recent past on valuation concerns and an expected slowdown in the pace of shift towards the e-commerce platform. The reopening of the economy could drive some of the spending towards the physical retail channels, resulting in the normalization in demand.

Despite the expected normalization in demand, I expect Shopify stock to continue to benefit from the higher spending on the e-commerce platforms. I believe the favourable secular industry tailwinds provide a strong growth platform for Shopify. Meanwhile, Shopify's initiatives to drive its market share and capitalize on the positive industry trends bode well for future growth.

I expect to see an increased number of merchants joining its platform, thanks to its several new sales and marketing channels. Further, its growing fulfillment network and increased adoption of Retail POS and POS Pro offerings are likely to drive the merchant base and, in turn, its financials. Shopify's scale, low-debt balance sheet, operating leverage, new products, international expansion, and massive market provide a solid foundation for outsized growth in the future. Shopify stock has lost about 25% from its peak and presents a good buying opportunity at current levels.

## goeasy

goeasy stock has surged over 280% in one year. Furthermore, it has increased by about 44.5% so far this year. I expect the uptrend in goeasy stock to sustain in 2021 and beyond, reflecting its ability to grow earnings at a robust pace. Notably, goeasy's earnings have grown at a strong double-digit rate in the past several years. Its dividends have grown at a compound annual growth rate of 34% in the last seven years, thanks to its high-quality earnings base.

Looking ahead, I expect customer demand and loan originations to improve and drive goeasy's financials. Moreover, increased penetration of secured loans, cross-selling opportunities, and strong credit and payment performance is likely to support its future revenues and earnings. With improving demand and economic recovery, goeasy's loan portfolio is expected to mark healthy growth over the next three years.

Meanwhile, the company projects double-digit growth in its top line in the coming years. The expansion of its product range, expected increase in loan size, and new distribution channels augur well for future growth. Besides, a large sub-prime lending market and its strong competitive positioning suggest that goeasy's earnings could continue to mark a high double-digit growth rate in the coming years. Meanwhile, the company could continue to enhance its shareholders' returns through higher dividend payments. Currently, goeasy offers a decent yield of 1.9%.

## Bottom line

Shopify and goeasy have consistently delivered sky-high returns for their shareholders. I believe the uptrend in both these stocks could continue in 2021 and beyond, owing to the strength in their base business, product expansion, and secular industry tailwinds. Investors should snap up both these stocks at current levels for stellar gains in the long run.



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2. TSX:GSY (goeasy Ltd.)
3. TSX:SHOP (Shopify Inc.)

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