



3 Top TSX Stocks to Buy With \$3,000 in May 2021

Description

Do you have a few thousand dollars you'd like to invest in the stock market this month? If that's the case, you might be interested in **Boralex** ([TSX:BLX](#)), **Kinaxis** ([TSX:KXS](#)), and **Village Farms International** ([TSX:VFF](#))([NASDAQ:VFF](#)). Those are three TSX stocks to buy in May for their strong upside potential.

Boralex

Boralex is an electricity producer whose main activity is devoted to the development and operation of [renewable energy](#) plants in Canada, France, the United States, and the United Kingdom. It has a portfolio of 88 wind farms, two thermal power stations, 16 hydroelectric power stations, and 10 solar power stations.

Boralex is one of the smaller ESG choices on the TSX. That said, this stock has huge upside potential.

Over the past five years, Boralex has rewarded its investors with a CAGR of about 20%. It has also consistently increased its free cash flow, which it reinvests in expanding its operations. The company pays a dividend that currently yields 1.6%.

Overall, Boralex should benefit significantly from the increase in global consumption of renewable energy. That's why Boralex is one of the top stocks to buy.

Kinaxis

Kinaxis is an Ottawa-based company that provides cloud-based subscription software for supply chain operations to improve efficiency for its customers around the world. It was successful in securing contracts with leading companies like **Ford**, **Toyota Motors**, and **Unilever**.

Kinaxis proved resilient when the pandemic first struck in early 2020, with demand increasing dramatically throughout the year. Kinaxis's cloud-based supply chain software has become of critical importance to businesses around the world, as consumers' buying behaviour has been drastically altered by the pandemic.

Total revenue fell 2% year over year to \$54.9 million in the fourth quarter of 2020. Meanwhile, gross margin and adjusted EBITDA fell 16% and 66%, respectively. Still, Kinaxis saw revenue growth of 17% for the full year, and gross margin jumped 12% to \$154 million.

The tech company faced COVID-related booking delays throughout 2020. These took their toll in the fourth quarter and are expected to continue this year.

However, improving economic activities and a structural shift towards online shopping could increase demand for the company's products and services in the coming quarters. Kinaxis, with its recent acquisitions and innovative products, is well equipped to benefit from the expanding addressable market share. It has improved its flagship platform, RapidResponse, giving it AI-based capabilities.

Kinaxis stock has a five-year CAGR of about 30%, but shares are down by more than 10% year to date.

Given its good outlook for growth and the correction in its share price, Kinaxis could offer superior returns this year.

Village Farms International

Based in Delta, British Columbia, Village Farms is one of the largest vertically integrated greenhouse producers in North America with over nine million square feet of indoor cultivation.

What makes Village Farms a hot buy is its ownership of Pure Sunfarms, especially now that it [owns 100% of the business](#) — previously ownership was split with **Emerald Health**. The low-cost greenhouse ensures that Village Farms's finances are even better, both in terms of turnover and bottom line.

Pure Sunfarms's adjusted EBITDA was \$13.3 million last year and gross sales increased 17%. And what's exciting is that there could be a lot more growth going on, as Pure Sunfarms has just started rolling out vapes, cannabis gummies, and other products.

While Village Farms shares have jumped more than 180% over one year, there is plenty of room for the stock to double in value. This is one of the best pot stocks to buy now.

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
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TICKERS GLOBAL

1. NASDAQ:VFF (Village Farms International, Inc.)
2. TSX:BLX (Boralex Inc.)
3. TSX:KXS (Kinaxis Inc.)

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