



## 2 Top Stocks for May 2021

### Description

After a rough February and March for [growth investors](#), April was a lot more promising. Stocks that were punished heavily at the start of the year saw excellent recoveries, giving investors a much-needed sense of relief. With the new month upon us, it's time to look ahead and see which stocks would make excellent buys today. Here are two top stocks for May 2021!

### The growth stock that keeps giving

One stock that has made many Canadians richer since its IPO is **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). The company is a worldwide enabler of e-commerce, providing merchants of all sizes an opportunity to operate online stores. In 2020, Shopify became the largest company in Canada by market cap, and its latest earnings report indicates that it still has years of growth ahead.

Shopify reported a Q1 revenue of US\$988.6 million, which compares to US\$470 million in Q1 2020. That represents a year-over-year growth of 110%! It is also further validation that Shopify's services will still be heavily relied upon long after the COVID pandemic is gone. Since Q1 2016, Shopify's monthly recurring revenue has managed a 45% compound annual growth rate. [Looking at its trajectory](#), you can even see that this growth has been accelerating since Q3 2020.

Shopify may be an easy answer to "which stock should I buy this month?" However, it's also one of the most correct answers today. Buying Shopify at this price could be seen as a massive bargain in a few years' time.

### Putting a new twist into grocery shopping

Another company that investors should consider buying in May is **Goodfood Market** ([TSX:FOOD](#)). This is one of Canada's largest online grocery and meal kit providers. As of its latest earnings report, Goodfood had 1.4 million monthly website visitors, placing it as the fifth-largest online grocer in Canada. What's more impressive is the rate with which Goodfood Market is growing. In 2016, the company sold \$2.8 million in revenue. Over the past 12 months, Goodfood's revenue is a staggering

\$362 million! As the company continues to grow, and online grocery becomes the norm, today's revenue figures could seem miniscule.

One of the most validating things about the online grocery industry is the fact that competition is heating up. **Uber** has recently been making a strong push to enter the Canadian grocery delivery space. While some investors may see this as a negative for Goodfood, it's important to realize that the company is years ahead of its competitors. Goodfood already has the infrastructure and brand awareness in place, which is an often-underestimated advantage.

## Foolish takeaway

As an avid investor of Canadian companies, it's great to see these two stocks continue to grow even after the pandemic. There were a lot of questions last year about whether Shopify and Goodfood Market would see big drops in usage once businesses started opening again. However, they have shown that their business is as strong as ever, making these two stocks my top two picks for May 2021.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. canada
2. Editor's Choice
3. growth
4. growth stocks
5. investing
6. long term growth
7. Retail
8. Shopify
9. Shopify Stock
10. Stocks
11. tech
12. tech stocks
13. technology
14. technology stocks
15. tsx growth stocks
16. tsx tech stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:FOOD (Goodfood Market)
3. 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. Tech Stocks

### Tags

1. canada
2. Editor's Choice
3. growth
4. growth stocks
5. investing
6. long term growth
7. Retail
8. Shopify
9. Shopify Stock
10. Stocks
11. tech
12. tech stocks
13. technology
14. technology stocks
15. tsx growth stocks
16. tsx tech stocks

### Date

2025/09/28

### Date Created

2021/05/03

### Author

jedlloren

default watermark

default watermark