2 Top TSX Stocks to Buy With $2,000 in May 2021

Description

Despite the fluctuations in the stock market, I expect the uptrend in top TSX stocks to continue, as the structural shift in selling models towards the omnichannel platforms, revival in consumer demand, and economic expansion provide a solid underpinning for growth.

We'll focus on two **TSX**-listed stocks that have delivered stellar returns over the past several years and are likely to outperform the broader markets by a significant margin in the coming years.

Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) continues to fire on all cylinders and has delivered stellar financial and operating performance. Its total revenues more than doubled in the most recent quarter. Meanwhile, its subscription solutions and merchant solutions revenues recorded year-over-year growth of 71% and 137%, respectively. Furthermore, its monthly recurring revenue is growing at a CAGR of 45%, which is encouraging.

Notably, Shopify stock has surged over 800% in three years. However, it witnessed selling in the recent past on expensive valuations and expected normalization in the pace of growth from the reopening of the physical retail and services.

I believe long-term investors should worry much about Shopify's high valuation and continue to buy the dip in its stock. I believe the spending on e-commerce platforms could continue to increase in the coming years, proving multi-year growth opportunities. Further, Shopify could continue to capitalize on favourable industry trends, thanks to its growth initiatives.

Shopify's growing international presence, expansion of fulfillment services, multi-currency payments solutions, and addition of multiple sales and marketing channels provide a solid foundation for growth and are likely to accelerate its growth rate further. Shopify's stellar revenue growth and operating leverage strengthen my bullish view.

goeasy

goeasy (TSX:GSY) is among the top-performing stocks listed on the TSX. It has appreciated by 2,139% in 10 years. Moreover, it has increased by about 223% in one year. The strong growth in its stock is backed by its robust revenues and earnings. Its top line has increased at a CAGR of 13% since 2001. During the same period, goeasy's adjusted earnings grew at a CAGR of 25%.

I believe goeasy's revenues and earnings could continue to grow at a strong double-digit rate in the future, which is likely to drive its stock higher. goeasy's top line is expected to benefit from the reopening of the economy, improving customer demand, and growth in its loan portfolio. Meanwhile, expense management is likely to support its earnings growth.

Furthermore, goeasy is likely to benefit from the large non-prime lending consumer credit market. Also, increased penetration of secured loans, growing loan size, channel and product expansion, and opportunistic acquisitions are likely to bolster its revenue and earnings growth rate further.

Thanks to its high-quality earnings base, goeasy has consistently paid regular dividends for 17 years in a row. Furthermore, its quarterly dividends have grown at a CAGR of 34% in the past seven years, while it offers a decent yield of 1.8%. I believe goeasy's strong double-digit earnings growth could continue to drive its future dividends at a breakneck pace.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks
4. Investing
5. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:GSY (goeasy Ltd.)
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. Bank Stocks

2. Coronavirus
3. Dividend Stocks
4. Investing
5. Tech Stocks

Date
2025/07/05
Date Created
2021/05/03
Author
snahata