



Here Are 3 Top TSX Stocks to Buy in May 2021

Description

Thanks to the solid buying in equities over the past year, most **TSX**-listed stocks are looking expensive and trading near their peak. However, plenty of stocks are still looking reasonable at the current price levels and offer good value. Further, I expect the momentum in a few TSX-listed stocks to continue, despite the recent run up.

So, if you are looking for top stocks that could handily outperform the benchmark index and deliver stellar returns in the long run, consider buying the shares of these Canadian companies.

Scotiabank

I am bullish on banks, especially on **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), owing to the steady improvement in the economy, vaccine distribution, and exposure to top banking markets. I expect economic expansion could provide a solid underpinning for growth in the long run and drive loans and deposit volumes. Further, strong non-interest income, lower credit provisions, and expense management are likely to boost its earnings.

Scotiabank also looks attractive on the [valuation front](#) and offers robust dividends. Notably, Scotiabank stock trades at a price-to-book value (P/BV) multiple of 1.4, which is more than 20% lower than its peers. Furthermore, it has paid a dividend for about 188 years and raised it by a CAGR of approximately 6% in the last decade.

With its exposure to the high-quality banking markets, low valuation, and solid dividends, Scotiabank is an attractive long-term pick at the current price levels.

goeasy

The next stock on my list is also from the financial sector. I am bullish on **goeasy** ([TSX:GSY](#)) owing to its solid fundamentals, robust financial performance, and strong future growth opportunities. Furthermore, the company is a Dividend Aristocrat and boosts its shareholders' returns through higher dividends.

goeasy stock has outperformed the TSX 60 index by a significant margin and increased by over 2,100% in the last 10 years. Furthermore, it has appreciated by about 54% this year. I expect goeasy to deliver stellar financial performance in the coming years, reflecting solid growth in its loan portfolio. Meanwhile, increased penetration of secured loans, growing loan size, expansion of product range, omnichannel offering, and expense management suggest that goeasy's top and bottom line could continue to grow at a breakneck pace.

Moreover, a large non-prime lending market is likely to accelerate its growth rate further. goeasy has raised its dividend by a CAGR of 34% over the past seven years, and its high-quality earnings base indicates that its dividend could continue to increase at a [healthy pace](#) in the coming years.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is undeniably one of the best long-term stocks and is a must-have in your portfolio. It continues to deliver stellar financial and operating performance and is growing at an astounding rate. While its valuation may fail to attract, I believe long-term investors shouldn't worry much and continue to accumulate Shopify stock on dips.

I expect Shopify to benefit significantly from the steady increase in the spending on e-commerce platforms. Further, its continued investments in growth position it well to capitalize on the secular industry trends.

Shopify's growing global footprint, expansion of fulfillment services, payments solutions, and multiple sales channels are likely to drive its merchant base and, in turn, its revenues. Furthermore, operating leverage and new value-added products are likely to strengthen its margins and drive its stock higher.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:GSY (goeasy Ltd.)
5. 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

2025/08/26

Date Created

2021/05/04

Author

snahata

default watermark

default watermark