



5 of the Best TSX Stocks to Buy in May 2021

Description

Irrespective of the heightened volatility in the market, I see plenty of good growth investment opportunities at the current price levels. I believe the recovery in demand and steady economic expansion could support the uptrend in top TSX stocks. Here is the list of five TSX stocks that have delivered stellar returns in the past and could continue to outperform the benchmark index by a significant margin.

Scotiabank

I am upbeat about **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)), as it offers a solid mix of value, growth, and income. The steady growth in the economy and its presence in the high-growth banking markets suggest that Scotiabank is well positioned to capitalize on the recovery in consumer demand. I expect its loans and deposit volumes to increase. Meanwhile, provisions and expenses are likely to go down, driving its earnings higher.

I expect Scotiabank's valuation multiples to expand further. Currently, it's trading cheaper than peers and offers good value. Furthermore, Scotiabank has paid dividends for a very long period and offers a solid yield of 4.6%.

goeasy

goeasy ([TSX:GSY](#)) is a [must-have stock](#) in your portfolio and has consistently delivered higher returns, thanks to its robust financial performance. The sub-prime lender's top and bottom line have increased at a solid double-digit rate in the past, and I expect the momentum to sustain in the forthcoming years.

The revival in consumer demand, expansion of its loan portfolio, acquisitions, and new products are likely to drive double-digit growth in its top line. Furthermore, higher loan size and omnichannel offerings are likely to accelerate its growth. Higher revenues, expense management, and robust payments volumes suggest that goeasy's normalized earnings could continue to grow at a breakneck pace, driving stellar growth in its dividends and stock price.

Shopify

Like goeasy, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is another high-growth stock that is a must in your long-term portfolio. Its stock is growing at an astounding rate, thanks to the increased demand and strong secular tailwinds. I expect the spending on e-commerce channels to continue to rise, providing multi-year growth opportunities for Shopify.

Shopify's investments in growth initiatives position it well to capitalize on favourable industry trends. The expansion of its fulfillment network, increased adoption of retail POS, global expansion, and addition of high-growth sales and marketing channels augur well for future growth and are likely to drive its market share. Furthermore, its operating leverage and improving margins could give a significant boost to its stock.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) stock is available at an attractive price point. Notably, shares of the online grocery services provider have skyrocketed in the past three years and handily outperformed the **TSX 60** index. However, it erased some of its gains and decreased about 35% this year, providing an excellent opportunity for investors to accumulate its stock.

I believe the increased adoption of online grocery services, expansion of its platform, new product offerings, and fast delivery position it well to capitalize on secular industry trends. Furthermore, growing basket size, increase in order frequency, and lower unit costs are likely to cushion its margins and [drive its stock higher](#).

Lightspeed POS

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is expected to gain big from the continued shift in selling models and increased adoption of omnichannel payments platforms. The company is witnessing stellar demand for its digital products and services and continues to add new customers at a healthy pace. Furthermore, product expansion and up-selling opportunities are driving its revenue per user.

Despite the stellar run-up in its stock, I am bullish and expect further upside on the back of its growing scale and expansion in high-growth markets. Furthermore, its strategic acquisitions and growing global presence are likely to accelerate its growth rate further and support the uptrend in its stock.

CATEGORY

1. Bank Stocks
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TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:FOOD (Goodfood Market)
6. TSX:GSY (goeasy Ltd.)
7. TSX:LSPD (Lightspeed Commerce)
8. TSX:SHOP (Shopify Inc.)

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