



3 Stocks to Buy With \$10,000 in 2021

Description

If you're looking for stocks to buy, 2021 is a tricky year to be doing so. [Tech](#) and growth stocks are obviously moderating, while value stocks still haven't found their momentum. A significant chunk of the stock market is overvalued, while investors have little visibility about the economy ahead.

That being said, the market always presents opportunities if you seek them out. Here are my top three picks for 2021 if you have over \$10,000 to invest.

Software stocks to buy

WELL Health ([TSX:WELL](#)) and **Topicus** (TSX:TOI) are my top software stocks to buy in 2021. Both have a unique value proposition and offer exposure to different segments of the global software industry.

WELL health is a telehealth and medtech consolidator. After raising immense cash from investors throughout last year, while its stock was surging, WELL now has dry powder to fund acquisitions. One key acquisition has helped it enter the U.S. market this year. As its footprint and services expand, the company could deliver immense growth for investors in the year ahead.

At this point, WELL Health's market value is roughly \$1.1 billion. Meanwhile, the management team is confident of crossing \$300 million in annual revenue run rate. That means the stock is trading at a price-to-sales ratio of less than four. That's great value for a great performer.

Topicus is another growth-by-acquisition story. The company buys and integrates vertical software startups across Europe. This year, the company was spun off from parent company **Constellation Software**.

There's a good chance Topicus can replicate its parent's success in Europe. Continental software and tech companies tend to be undervalued, because domestic investors are more risk averse. That creates an excellent opportunity for acquirers like Topicus. The stock is already up 44% from its listing. It could have more upside left.

Value stocks to buy

Suncor ([TSX:SU](#))([NYSE:SU](#)) is another rebound stock that should be on your radar in 2021. The stock is trading far below its pre-crisis level. However, revenue and cash flows are already recovering strongly.

Suncor reported double the cash flows in its most recent quarter compared to the same period in 2020. Unsurprisingly, crude prices should skyrocket as the world reopens and travel resumes. In fact, pent-up demand and supply constraints should push oil prices much higher.

Suncor stock hasn't priced this in yet. The stock is trading at [roughly five times cash flow per share](#). That makes it a bargain opportunity for savvy investors. Keep an eye on it.

Bottom line

If you're looking for stocks to buy, this is as good a time as any. The market always presents opportunities regardless of economic conditions. In this market, I believe enterprise software and undervalued energy stocks offer the best value.

Keep an eye on telehealth giant WELL Health, European software consolidator Topicus and energy producer Suncor in 2021.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SU (Suncor Energy Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)
5. TSXV:TOI (Topicus.Com Inc.)

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