



Have \$3,000? 3 Top Canadian Companies to Buy Now

Description

As volatility continues to remain elevated in the market, investors should buy the dip in fundamentally strong stocks for the long term. I have shortlisted three such stocks that can deliver stellar returns in the long run and are looking attractive at current price levels. So, if you've got \$3,000, buy the dip in these top TSX stocks right now.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) continues to deliver stellar financial and operating results on the back of sustained demand for its e-commerce platform and continued investment in growth initiatives. For instance, its top line is growing at a breakneck pace, while the rate of growth has accelerated sequentially. Meanwhile, improving operating leverage and strong secular headwinds support my bullish view on its stock.

However, Shopify stock has reversed some of its gain on valuation concerns and projected normalization in growth rate. However, I see this pullback as an excellent opportunity to add Shopify stock to your portfolio for multi-fold returns in the long run.

I believe the spending on e-commerce channels is likely to increase in the coming years, providing a solid base for multi-year growth in Shopify stock. Moreover, its valuations could soon appear normal, as growth accelerates on the back of the expansion of its fulfillment network, increase in merchant base, the addition of high-growth sales and marketing channels, and the expansion of its global footprint. Furthermore, the growing adoption of its multi-currency payments platform, high-value products, and operating leverage is likely to support its growth and drive its stock higher.

Scotiabank

I expect **Scotiabank** ([TSX:BNS](#))([NYSE:BNS](#)) to deliver very strong financial and operating performance across all business lines in 2021 and beyond. Its stock has appreciated by about 19% this year, and the uptrend is likely to sustain, reflecting economic expansion, recovery in consumer demand, expense management, and lower provisions. Moreover, Scotiabank is trading cheaper than its peers and offers a

[solid yield](#) of over 4.5%.

I expect Scotiabank's revenues to improve, reflecting its diversified exposure to the high-growth banking markets. Meanwhile, its loans and deposit volumes are likely to increase on the back of revival in demand, competitive scale, digital business growth, and rising market share in core markets. Furthermore, improvement in the non-interest income, lower provision for credit losses, and expense management is likely to boost its earnings and, in turn, dividend payments.

Scotiabank has uninterruptedly increased its dividends by a CAGR of 6% since 2009. Moreover, I expect the bank to continue to boost its shareholders' returns through higher dividend payments amid an improving operating environment. Currently, Scotiabank is trading at a price-to-book value and price-to-earnings multiples of 1.5 and 11.3, respectively, which is well below its peers and suggests further upside in its stock.

Lightspeed

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) is another top stock that has all the ingredients to deliver [outsized returns](#) in the long term and make its investors very rich. The stock delivered sky-high returns in 2020, and the positive secular industry trends suggest that momentum in its business is likely to sustain, driving its stock higher.

I expect Lightspeed's top line to continue to increase at a high double-digit rate, reflecting strong growth in its recurring software and payments revenues. Furthermore, the ongoing shift towards omnichannel commerce, up-selling opportunities, and expansion of its product range are likely to accelerate its growth rate. Lightspeed could benefit from its solid capital-allocation strategy and global expansion. Its recent acquisitions have accelerated its revenue growth rate, added new customers, and cemented its competitive positioning in high-growth markets.

Lightspeed's growing scale and favourable industry trends augur well for future growth. Further, its stock is down about 21% on a year-to-date basis, providing investors a solid opportunity to buy and hold the shares of Lightspeed POS.

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:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BNS (Bank Of Nova Scotia)
5. TSX:LSPD (Lightspeed Commerce)
6. 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

2025/08/16

Date Created

2021/05/17

Author

snahata

default watermark

default watermark