



Have \$1,000? Here's Where to Invest in May 2021

Description

The expected acceleration in the pace of vaccine distribution, economic expansion, increasing business activities, and revival in consumer demand provide good reasons to buy top Canadian stocks right now. So, if you've got \$1,000 to invest, consider buying these top TSX stocks.

The commerce-enabling company

Commerce-enabling company **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a must-have in your portfolio to outperform the benchmark index in the long run. Lightspeed stock has surged over 210% in one year. However, it reversed some of its gains and has declined by about 25% in three months, providing an excellent buying opportunity.

I expect the momentum in Lightspeed's business to continue. Its revenues are likely to grow at a breakneck pace, despite the reopening of the retail locations following the easing of lockdown measures and vaccine distribution. The increased spending on e-commerce and continued migration of small- and medium-sized retail and restaurant operators towards the omnichannel payments platform could continue to drive demand for its digital products and services.

Moreover, the expansion of its product range and up-selling opportunities are likely to boost its average revenue per user and support its margins. Lightspeed is also expected to gain big from its solid capital-allocation strategy. Its recent acquisitions have bolstered its growth rate further by driving its customer base and cementing its competitive positioning in high-growth markets. I believe the continued strength in its organic business, its growing scale, expansion in new geographies, and acquisitions provide a solid base for [outsized growth](#).

A fast-growing financial stock

goeasy ([TSX:GSY](#)) is my top pick for 2021 and beyond. The stock hasn't disappointed and has already risen by 49% so far this year. Meanwhile, it has appreciated by 216% in one year. Despite the stellar growth in its value, I expect the uptrend in goeasy stock to sustain, thanks to the favourable industry trends, improving credit demand, and its high-quality earnings base.

goeasy's top and bottom line have increased at a breakneck pace since 2001. Looking ahead, the company's top line could continue to grow at a double-digit rate, reflecting growth in its loan volumes, new product launches, and channel expansion. Furthermore, acquisitions are likely to boost its top-line growth rate. Higher revenues, increased penetration of secured loans, strong payments volumes, and operating leverage are expected to drive goeasy's profitability at a very high rate.

The subprime lender has raised its dividends at a CAGR of 34% over the last seven years. I expect its future dividends to increase at a similar pace, thanks to the strong growth in its earnings and operating cash flows.

An online grocery provider

The online grocery industry is growing fast, and **Goodfood Market** ([TSX:FOOD](#)) remains well positioned to capitalize on the positive secular industry trends. Notably, Goodfood Market's revenues and active customer base are growing rapidly, which augurs well for [future growth](#). Meanwhile, Goodfood Market stock has corrected more than 41% this year, presenting a solid buying opportunity for investors with a long-term view.

I believe Goodfood Market's robust delivery capabilities, continued investments in footprint, the launch of popular services (like same-day delivery), and focus on reducing delivery time are likely to bolster its growth and drive its active customer base.

Furthermore, its industry leadership, targeted marketing campaigns, expanding line of grocery items, and the growing shift to online grocery services are expected to drive its basket size and order frequency and, in turn, its stock price.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:FOOD (Goodfood Market)
3. TSX:GSY (goeasy Ltd.)
4. TSX:LSPD (Lightspeed Commerce)

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