



5 of the Best TSX Stocks That Could Heat Up This Summer

Description

As the Canadian market continues to reach new record highs, it's becoming difficult for investors to pick great stocks to buy that still have room to inch up further. Here are five of the best **TSX** stocks that have been outperforming the broader market lately and could continue to do so in the next few months.

BlackBerry stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) stock has been one of the [hottest Canadian stocks](#) this year — partly because it became popular among Reddit traders. The stock is currently trading with 92% year-to-date gains compared to a 16% rise in the TSX Composite Index. The stock has risen by 57% in the last month.

While the Reddit trading mania has increased the volatility in its stock, the company's improving future growth potential is also playing a key role in its recent stock rally, in my opinion. BlackBerry has design wins with some of the world's largest electric vehicle (EV) manufacturers that account for about 67% of global EV production. In addition, its stable cybersecurity business could also help its stock continue surging.

Cenovus Energy stock

Cenovus Energy ([TSX:CVE](#))([NYSE:CVE](#)) is a prominent Canadian integrated energy company. This oil and natural gas producer's stock has risen by 28% in the last month — outperforming the broader market.

After facing energy demand-related issues in the previous four quarters, its sales more than doubled on a YoY (year-over-year) basis to \$ 9.2 billion in the March quarter. As a result, its earnings rose by 108% from a year ago to eight cents per share. June is the fifth month that Cenovus Energy's stock is trading on a positive note. I expect consistently rising global economic activities and surging energy demand to keep its stock soaring in the coming months.

Shopify stock

If you've been following the Canadian tech space lately, I don't need to tell you about the massive overall business growth **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has registered in the last couple of years.

The demand for its e-commerce platform became even stronger during the COVID phase, as more businesses looked for online alternatives to offer their products and services amid the pandemic-related shutdowns. Analysts expect its sales to rise by more than 50% this year compared to its 2020 record sales. After trading on a mixed note for many months, Shopify stock has recently started surging, and I expect this rally to continue in the coming months.

MEG Energy stock

MEG Energy ([TSX:MEG](#)) is a Calgary-based unconventional oil and gas production firm. The company is currently focusing on developing innovative enhanced oil recovery projects that could help reduce carbon emissions and improve the responsible economic recovery of oil in the future.

While MEG's total revenues fell by 42% last year, Bay Street expects them to rise by more than 50% in 2021. It would help the company reach close to its pre-pandemic sales level. Its stock has risen by 24% in the last month. The expectations of a faster than anticipated recovery could keep MEG stock continue inching up in the coming months.

Enerplus stock

Enerplus ([TSX:ERF](#)) is another Canadian energy exploration and production firm with a market cap of \$2.3 billion. Its stock is currently trading at \$8.94 per share with about 125% year-to-date gains.

The company has recently completed two accretive acquisitions in the Williston Basin. These acquisitions are likely to improve its operational efficiencies and extend its core Bakken development inventory. In Q1, Enerplus's liquids production increased to account for about 54% of its total production. The company expects it to rise further in the rest of 2021. Its improving fundamentals and rising overall energy demand have triggered a rally in its stock this year, which I expect to extend in the next few months.

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2. NYSE:CVE (Cenovus Energy Inc.)
3. NYSE:SHOP (Shopify Inc.)

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