



2 TSX Stocks That Could Double Again in 2021

Description

Most stock market analysts predicted that 2020 would be a banner year for the **S&P/TSX Composite Index**. It was off to a great start until the COVID-19 pandemic came in March. Canada's primary index sunk into the depths on March 23, 2020, falling to as low as 11,228.50.

Many stocks suffered deep losses. Some dividend payers had to slash or stop their payouts to preserve cash and protect balance sheets. Fortunately, the decline was short-lived, as the TSX slowly pared down the losses. By mid-year, the gain was already 37%. The year-end closing was 17,433.40, which was almost the level in early February 2020.

However, a few names even increased their prices, despite the challenging environment. **Alcanna** (TSX:CLIQ) and **OrganiGram Holdings** (TSX:OGI)(NASDAQ:OGI) are the [standouts](#), given the respective trailing one-year price returns. Analysts recommend a buy rating for both and forecast the prices to double in 2021.

Liquor and cannabis retailer

Alcanna's trailing one-year price return is 119.61%. Investors' interest was high because of the impressive financial results for the full year 2020. Total sales increased 17% versus the full year 2019. From a net loss of \$42.7 million, management reported \$9.71 million in net earnings.

Moreover, Alcanna's strategy to sell or close low- or underperforming convenience-format liquor stores in Alberta was a game changer. After exiting 31 stores over the past 15 months, sales rose moderately. Notably, the growth in same-store liquor sales in Q4 2020 was 7.6% compared to Q1 2019.

The \$9.46 million net loss in Q1 2021 (quarter ended March 31, 2021) was primarily due to the spin-off of Alcanna's cannabis business. This \$247.24 million premier retailer of wines, spirits, and beer has around a 63% ownership stake in **Nova Cannabis**.

Alcanna's focus is to strengthen the sales from its 250 liquor and cannabis retail outlets. While its exposure to cannabis is now indirect, Nova Cannabis should contribute significantly to business

growth. The cannabis retailer delivers [compelling value](#) to consumers in the space.

The current share price is \$6.83. Analysts forecast the stock to climb to as high as 101% to \$13.75 in the next 12 months.

High flyer

OrganiGram is among the TSX's high flyers thus far. The weed stock's year-to-date gain is 113.61%. If you take a position right now, the share price is only \$3.61. However, market analysts are bullish. They see a potential upside of 65%, although it could be 100% if the federal legalization of marijuana comes anytime soon.

The primary focus of this \$1.08 billion Moncton-based company is to produce high-quality, indoor-grown cannabis for patients and adult recreational consumers. OrganiGram is simultaneously developing international business partnerships to extend its global footprint.

OrganiGram hopes the continuing improvements and refining of its cultivation and post-harvesting practices will give it a competitive advantage. OrganiGrow, an in-house proprietary information technology system, tracks all grow cycles by harvest period, strain, room, environmental conditions, and more.

Like its industry peers, OrganiGram has yet to reach the road to profitability. Nevertheless, the company is gearing up to enter the U.S. markets. Cannabis stocks recently received support from **Amazon.com**. The e-commerce giant will join with drug-reform advocates and social-justice organizations in lobbying for federal marijuana legalization in the U.S.

Great value buys

Alcanna and OrganiGram are great value buys this month. The stock prices are relatively low but are likely to break out or double this year or the next.

CATEGORY

1. Cannabis Stocks
2. Investing

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