



3 of the Best Rallying TSX Stocks to Buy in July 2021

Description

Canadian stocks ended the second quarter on a positive note. The **TSX Composite Index** posted solid 7.8% gains in the last quarter — bringing its gains in the first half of the year to 15.7%. Notably, it was the fifth consecutive quarter when the market benchmark inched up. While some stocks might look overvalued right now, many rallying stocks still have room to rally further. Here's a list of three such rallying TSX stocks that investors can buy in July 2021, as they might continue to rally in the coming months.

Aritzia stock

Aritzia ([TSX:ATZ](#)) is a Canadian design house and apparel retailer that owns more than 100 boutiques throughout North America and also sells its products online. Its stocks rose by about 25.7% in June compared to the TSX Composite benchmark's 2.2% gains for the month.

Last month, the company [announced](#) its plan to acquire Reigning Champ — a Vancouver-based brand which mainly designs and makes premium athletic wear for both men and women. With this, Aritzia plans to accelerate its product expansion strategy for men's wear. This step is likely to help the company grow its overall business faster — raising its earnings growth estimates. These positive factors could keep its stock soaring in the near term.

Shopify stock

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) certainly has been one of my favourite TSX stocks to buy in the last couple of months. Despite a solid trend in its financials, its stock underperformed the broader market by a wide margin until the end of May. Nonetheless, its stock rose by 22.5% last month.

In the first quarter, Shopify's sales more than doubled from a year ago, and its adjusted earnings jumped by more than 950% YoY. While Shopify might report a minor decline in its sales growth rate in the coming quarters, it still is likely to be much higher than most other tech companies. SHOP stock is currently trading with 26% year-to-date gains — which is much lower than its annual gains in the last

couple of years. Notably, the stock yielded more than 170% positive returns in 2019 as well as in 2020. Given its stellar sales and earnings growth estimates, I expect that a medium- to long-term rally in Shopify stock has just started.

BlackBerry stock

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is another great company to bet on in July. Its stock has seen extreme volatility this year so far due to the recent Reddit trading mania. While you may credit Redditors for increasing the BlackBerry stock's volatility and driving its recent rally, but its gains couldn't have sustained for long if there was no positive reason for it to go up.

Apart from its growing core cybersecurity business, the company is set to gain big from the upcoming electric and autonomous vehicle revolution. [BlackBerry is focusing](#) on developing the technology for futuristic vehicles that would help it become one of the major players in the automotive technology segment, I believe.

BB stock rose by 22.2% in June — bringing its year-to-date gains to nearly 80%. Nonetheless, considering the massive future growth potential of its business, I find its stock attractive.

CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

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1. NYSE:BB (BlackBerry)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ATZ (Aritzia Inc.)
4. TSX:BB (BlackBerry)
5. TSX:SHOP (Shopify Inc.)

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