



## The 3 Best Canadian Stocks to Buy in July 2021

### Description

High liquidity, ongoing vaccination, easing lockdown measures, and a revival in economic activities are likely to keep the Canadian stock market buoyant in 2021 and beyond. Further, the steady recovery in corporate earnings growth and higher consumer demand provide a solid base for future growth.

With the improving macroeconomic environment in the background, I have selected the three best Canadian stocks poised to deliver outsized growth in the coming years. I believe solid fundamentals and multiple growth catalysts could continue to push their stock higher. Let's dig deeper into three such stocks, which you could consider buying right now.

### goeasy

**goeasy** ([TSX:GSY](#)) is known for making a significant amount of money for its investors. It has increased by nearly 194% in one year. Moreover, it has jumped about 2,687% in 10 years. Its impressive financial and operating performance and a large non-prime lending market continue to push its stock higher.

Looking ahead, I am bullish on goeasy stock and expect it to deliver [very high returns](#) in the coming years, reflecting an improving credit market, growth in loans, and solid payment volumes. Furthermore, new product launches, geographic and channel expansion, and strategic acquisitions augur well for future growth. Also, increased penetration of secured loans and effective cost management are likely to cushion its bottom line.

Notably, goeasy's revenues and earnings have increased rapidly in the past 19 years. Further, I expect the trend to sustain in the coming years. Moreover, goeasy has uninterruptedly paid dividend for 17 years in a row and increased it at a CAGR of 34% in the last seven years. Its high-quality earnings and ability to grow cash flows indicate that goeasy could continue to hike its future dividend at a healthy pace.

## Bank of Montreal

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is another top Canadian stock investors could add to their portfolios for outsized returns. Notably, the stock has already registered a growth of over 86% in one year, and I believe the economic expansion and revival in consumer demand could provide a solid platform for future growth.

I expect Bank of Montreal's profitability to continue to grow at a high single-digit rate, benefitting from its diverse revenue model, improving loan and deposit volumes, lower credit loss provisions, and tight expense management.

Bank of Montreal has been rewarding its shareholders with [regular and higher dividend](#) payments. It has consistently paid dividends for 192 years and yields over 3.3% at current price levels. Bank of Montreal sees 7-10% growth in its earnings in the future years, implying that its dividend could grow at a decent pace.

Notably, its valuation looks well within reach, suggesting further upside potential. It trades at a price-to-earnings multiple of 11.1 and a price-to-book value multiple of 1.6, which is lower than most of its peers' multiples.

## Cineplex

**Cineplex** ([TSX:CGX](#)) stock has witnessed strong buying recently and has appreciated about 61% this year on hopes of a recovery in its operations and financials. Notably, Cineplex's financials took a massive hit amid the pandemic. The COVID-19 pandemic wiped out its revenues and significantly eroded its operating capacity.

However, I believe the ongoing vaccination and expected improvement in consumer demand could lead to a solid rebound in its operations and push its stock higher. I expect a significant improvement in Cineplex's revenues, earnings, and traffic in the coming quarters. With the reopening of its entertainment venues and theatres, its cash burn rate will likely go down and support its earnings.

Notably, Cineplex stock is trading at a massive discount compared to the pre-COVID levels, making it an attractive investment at current levels.

### CATEGORY

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

### TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)
3. TSX:CGX (Cineplex Inc.)

4. TSX:GSY (goeasy Ltd.)

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