



## 5 Stocks to Begin the 2nd Half of 2021

### Description

The first half of 2021 included the fighting of the third COVID wave, vaccination, surviving on fiscal stimulus, and seeing crazy stock momentum. The second half of 2021 holds a lot of promise and, at the same time, a challenge. The next step after destruction is reconstruction, and that is the hardest part.

### How the second half of 2021 could look

The Justin Trudeau government will phase out the stimulus package, and businesses will reopen permanently while fighting any fourth or fifth COVID waves. The next six months will see a huge influx of demand for things people could not do while at home. Even you might have plans to dine out, watch a movie, play a game, go on a road trip, or fly internationally.

This sudden demand surge is already increasing inflation. Savings could be the last thing in people's minds. This demand will benefit five TSX stocks, making them July buys.

### Transat A.T. stock

The skies are reopening, giving new hope to the international holiday company **Transat A.T.** (TSX:TRZ). The first half of 2021 was very stressful for Transat, as its acquisition by **Air Canada** got cancelled, and it [cancelled](#) the next acquisition offer from Pierre Karl Péladeau. But the government came to its rescue and gave Transat a \$700 million bailout. It is sufficient to pay off its recent debt and restructure operations. It has a new CEO, Annick Guérard, who has a three-step recovery plan to return to profitability by 2026.

As the economy reopens, there is pent-up demand for leisure travel. The United States has already seen pre-pandemic-levels passenger volume at the airport. Transat stock has surged 14% in the first half and could grow double digits in the next six to 12 months.

## Suncor

**Suncor Energy** ([TSX:SU](#))([NYSE:SU](#)) is currently in the middle of nowhere. Oil demand is returning, as people begin to travel again. And it is this demand that pushed oil prices above US\$75/barrel — a level last seen in 2018. But now, a [dispute](#) between the United Arab Emirates and Saudi Arabia over increasing oil supply could create some volatility. But they both agree on increasing oil production between August and December, which means oil prices could rise, and so could Suncor stock.

Suncor stock has already surged 35% year to date and has another 38% upside to reach pre-pandemic levels.

## Lightspeed stock

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is trading at its all-time high and still has the potential to grow due to the seasonal nature of its business. The fourth quarter is the strongest for Lightspeed, as transactions spike at restaurants and [retailers](#). On top of transactions, Lightspeed has increased its average revenue per user by adding paid merchant services like Payments and Capital.

Lightspeed stock has surged 22% year to date and has the potential to make a new high and grow another 20-25% on recovery and seasonality. The company might feel the impact of rising inflation, but the spending spree will offset it.

## Descartes stock

The reopening of travel, businesses, and factories is waking up partners in the supply chain. The business-to-business logistics volumes could rise again, while e-commerce logistics won't see a significant dip. **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) stock grew even during the pandemic, as e-commerce companies used its supply chain solutions. The stock could surge post-pandemic on pent-up demand. Descartes's broad customer base across verticals and the need for optimizing the supply chain make the stock resilient to macroeconomic issues.

## Cineplex stock

**Cineplex** ([TSX:CGX](#)) is more of a speculative bet that could see a short-term rally. The cinema chain is reopening. It is firing all cylinders to get people to watch their favourite movies in theatre rather than over-the-top platforms. To give you a feel of what Cineplex is doing, it is offering a "mega pop," which is five times the standard large-sized popcorn. It is bringing plays and any entertainment that can pull the audience like a magnet.

The stock has already popped 83%, and that is concerning. The stock could see some short-term growth but not a sustainable growth, because the pent-up demand won't put Cineplex to profit in a year. But before the fundamentals kick in, there is no harm riding the recovery roller coaster. But invest only a small portion (less than 5%) in this stock.

## CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing
5. Stocks for Beginners
6. Tech Stocks

## **TICKERS GLOBAL**

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SU (Suncor Energy Inc.)
4. TSX:CGX (Cineplex Inc.)
5. TSX:DSG (The Descartes Systems Group Inc)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:SU (Suncor Energy Inc.)

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