3 High-Caliber Canadian Stocks to Buy Right Now

Description

The bull run in Canadian equities could continue despite the resurgent virus in the background. I believe the ongoing vaccination, rising consumer demand, and improving operating environment could provide a solid foundation for a stellar recovery in corporate earnings growth, in turn, drive the stock market higher.

While several **TSX** stocks have risen significantly, the uptick in demand could continue to push them higher. Let's discuss three stocks that could continue to trend higher as the economic activities increase and pandemic-led restrictions ease.

Cineplex

Cineplex (TSX:CGX) is one stock that could gain big as its operations return to normal and restrictions ease. Its stock has recovered significantly and has risen over 74% in one year. However, it is still available at a low price and continues to trade at a significant discount compared to the pre-COVID levels. Investors with a long-term mindset should grab Cineplex stock at current levels to benefit from the recovery in its financial and operating performance.

The reopening of its entertainment venues and improvement in consumer demand could boost its financials, in turn, its stock price. Further, a strong slate of theatrical releases bodes well for growth.

Meanwhile, its focus on expanding food-delivery services, private movie screenings, corporate events, and other promotional activities could keep the cash register ringing. I expect Cineplex's top-line to improve sequentially, while its cash burn rate could trend lower. Meanwhile, its lower cost base could continue to cushion its bottom line.

goeasy

goeasy (TSX:GSY) is another high-caliber stock that has delivered multi-fold returns in the past and made its investors very rich. Notably, goeasy stock surged over 212% in one year and appreciated over 1,086% in just five years, reflecting stellar growth in its revenues and profitability.

The company has increased its revenues at a compound annual growth rate (CAGR) of 12.8% from 2001 to 2020. Meanwhile, its adjusted income has grown at a CAGR of 31% during the same period.

I continue to remain bullish on goeasy's prospects owing to its growing penetration of secured loans, strong credit performance, higher loan size, and product expansion. The subprime lender could continue to deliver robust top-line growth on the back of higher loan volumes, channel expansion, and strategic acquisitions. Further, expense management and operating leverage are likely to cushion its earnings.

goeasy has consistently enhanced its shareholder returns through solid dividend payments. I believe the company could continue to grow its dividends at a very high rate, reflecting double-digit growth in its bottom line.

Toronto-Dominion

Toronto-Dominion Bank (TSX:TD)(NYSE:TD) stock is trending higher on the back of improving macroeconomic environment and uptick in business activities. I believe the economic expansion and continued improvement in consumer demand will likely drive this bank stock higher.

Its diversified revenues, a decline in credit provisions, higher loans and deposits, and expense management could drive its revenue and earnings in the coming years. Furthermore, the bank's focus on digital engagement and improving credit performance augur well for growth.

Thanks to its ability to deliver consistent earnings, the bank has regularly paid dividends to its shareholders for 164 years. Meanwhile, the Canadian banking giant has increased its annual dividend by 11% in the past 25 years in a row.

I expect TD Bank to continue to generate high-quality earnings and deliver higher dividend payments.

CATEGORY

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks

TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. TSX:CGX (Cineplex Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:TD (The Toronto-Dominion Bank)

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