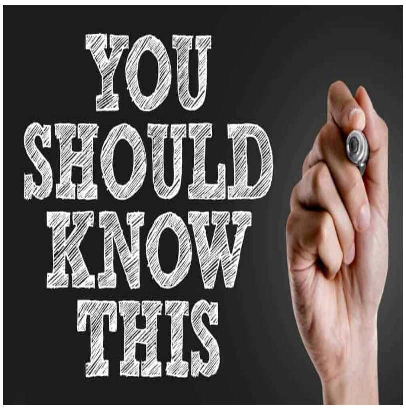


# 3 of the Best TSX Stocks to Buy in August 2021

## Description

I continue to maintain a bullish view of the Canadian stock market. The ongoing vaccination, easing pandemic-led restrictions, a modest uptick in economic activities, strong consumer demand, and recovery in corporate earnings are likely to keep the stock market buoyant.



With an improving operating environment, I have zeroed in on three Canadian stocks poised to deliver strong returns in 2021 and beyond. These **TSX**-listed companies could gain from the steady improvement in the economy and normalization in their operating activities.

## Bank of Montreal

Canadian banking giant **Bank of Montreal** (TSX:BMO)(NYSE:BMO) is well-positioned to benefit from the continued economic improvement and recovery in demand. Notably, its stock has gained about 74% in one year, and I expect the uptrend to sustain on the back of continued growth in its earnings.

Bank of Montreal expects to generate a 7-10% growth in earnings in the coming years, which is encouraging. I believe the bank's diverse revenue model, strong expense management, and solid credit performance will continue to cushion its profits. Furthermore, lower credit loss provisions and pickup in the loan volumes are likely to accelerate its growth.

Notably, the bank has consistently enhanced its shareholders' value, and its strong earnings base suggests that the Bank of Montreal could continue to boost investors' returns through increased dividend payments.

## goeasy

Besides Bank of Montreal, investors could consider buying **goeasy** (TSX:GSY) stock in the financial space for outsized returns. This stock has increased by over 211% in one year. Moreover, I expect the rally in its stock to sustain thanks to its stellar financial and operating performances and good growth opportunities stemming from the recovery in economic activities and a large sub-prime lending market.

I expect higher credit offtake, geographic and channel expansion, new product launches, and strategic acquisitions to support its revenues and profitability. Meanwhile, increased penetration of secured loans, strong payment volumes, and cost and productivity savings bode well for future growth. Investors are also likely to benefit from the company’s strong dividend payments.

It has consistently increased its dividend in the past seven years. Furthermore, its strong profitability indicates that its dividend could continue to grow at a significantly higher rate in the coming years.

## Cineplex

**Cineplex** (TSX:CGX) stock is another stock poised to deliver solid returns once its operations return to normal and COVID-19 led restrictions ease. The stock has witnessed strong buying in one year and has appreciated about 67% in hopes of a revival in demand. However, it continues to trade at a massive discount compared to the pre-COVID levels, making it a solid pick at current levels.



I believe the ongoing vaccination and expected improvement in consumer demand could lead to a solid rebound in its financial and operating performance and push its stock higher. The reopening of its entertainment venues and theatres and increase in traffic are likely to support its earnings and lead to lower cash burn.

Further, a strong slate of theatrical releases bodes well for future growth. Despite the challenges from the pandemic, its focus on food-delivery services, private movie screenings, and other corporate events, and solid liquidity is likely to support its financials in the near term.

**CATEGORY**

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks

**TICKERS GLOBAL**

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

**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

**PP NOTIFY USER**

1. arosenberg
2. snahata

**Category**

1. Bank Stocks
2. Coronavirus
3. Dividend Stocks

**Date**
2025/08/26
**Date Created**
2021/08/02
**Author**
snahata