



3 TSX Stocks at 52-Week Highs to Buy in August 2021

Description

Canadian markets have been making fresh highs for the last several months. A few areas of the market indeed look overvalued, but some **TSX** stocks look poised to rise. Here are three Canadian names that are currently trading at their annual highs and offer decent growth prospects.

Constellation Software

Canadian tech giant **Constellation Software** ([TSX:CSU](#)) is having another strong year in 2021, with its stock rising 22% so far. It returned more than 4,600% in the last decade. Its consistent profitability, unique business model, and growing market have been behind its stellar rally all these years. It is currently trading close to its 52-week high of \$2,000.

Constellation Software acquires and develops vertical market software companies with outstanding management, above-average growth, and consistent profitability. It looks for tech companies with revenues of at least \$5 million and is the number 1 or number 2 market share in that domain.

CSU's revenues grew by 18% compound annual growth rate (CAGR) in the last decade, while the net income grew by 11% CAGR. The company argued to stop dividend payments to use the surplus cash for bigger acquisitions. Even if dividend payments stop, CSU shareholders might not bother much as the same capital could fuel [long-term growth](#), which could unlock more value for them.

Spin Master

Spin Master ([TSX:TOY](#)) stock has nearly doubled since last year and is currently trading at its 52-week high. The stock could continue to rise, given its strong financial growth potential. It plans to report its Q2 2021 earnings on August 5.

Its last quarter results reported a remarkable growth, with its top-line expanding by a handsome 39% year over year. Its digital games revenue was a sweet spot during the quarter, which surged by a massive 394% year over year.

The children's entertainment company creates exceptional play experiences through its toys, digital games, and entertainment franchises. Spin Master generates almost 60% of its revenues from North America.

It [aims](#) to increase its sales, particularly in emerging markets, and gain a significant market share in digital games. Also, it is trying to expand its content business to distribute on a variety of channels.

The pandemic and related closures dented Spin Master's business in the last few quarters. However, re-opening will give it a boost to some extent. Besides, digital gaming will continue to boom because of the changing consumer behaviour.

Spin Master's robust product portfolio and diversified geographical presence should drive its earnings growth and [shareholder value](#) in the long term.

Air Canada

Though **Air Canada** ([TSX:AC](#)) stock has fallen 15% since last month due to the COVID-19 delta variant, it will likely just be a short-term blip for the company. And that's why the flag carrier continues to expand its network and resume flights to key locations.

Air Canada's Q2 2021 revenues increased 60% against the same quarter last year, suggesting faster air travel demand recovery. While business travel could keep lagging, leisure travel could offset that to a notable extent in the post-pandemic environment.

As Canadian travel restrictions gradually ease and vaccinations increase, Air Canada will likely see even stronger topline growth in the next few quarters. This will lower Air Canada's cash burn and will show a clearer path to profitability.

CATEGORY

1. Coronavirus
2. Investing
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2. TSX:CSU (Constellation Software Inc.)
3. TSX:TOY (Spin Master)

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Author

vinitkularni20

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