



## The 5 Best TSX Stocks With Further Upside

### Description

Investors' optimism on the back of a recovery in consumer demand, economic expansion, and improved macro environment continue to push Canadian stocks higher, despite the high valuations.

Among the top-performing TSX stocks, **goeasy** ([TSX:GSY](#)), **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)), and **Pembina Pipeline** ([TSX:PPL](#))([NYSE: PBA](#)) stocks have gained over 30% this year and outperformed the broader markets. Despite the appreciation in value, I expect the momentum to sustain in these stocks on the back of their growth initiatives and favourable industry trends.

### goeasy

goeasy is a must-have in your portfolio if you are eyeing [high growth](#). Notably, goeasy stock has delivered multi-fold returns in the past. Meanwhile, it is up about 90% this year, reflecting its improved operating environment, solid financial performance, acquisition, and a large sub-prime lending market.

I expect goeasy to deliver double-digit growth in its earnings and revenues, reflecting higher credit offtake, new products, channel, and geographic expansion, and increased penetration of secured loans. Further, solid payment volumes and productivity savings could cushion its earnings. Moreover, goeasy is likely to boost its shareholders' returns through increased dividend payments.

### Shopify

Shopify stock continues to trend higher, despite expensive valuation and moderation in growth rate. Its stock has risen over 30% this year, and I believe the uptrend will sustain, reflecting a continued shift towards e-commerce platforms and its initiatives to drive merchant base.

Shopify's strong fulfillment network, expansion of high growth sales and marketing channels, new products, and global footprint will likely drive its merchant base and, in turn, its financials. Meanwhile, higher adoption of its merchant solutions and operating leverage could accelerate its and support its profitability.

## Lightspeed

While Lightspeed stock went through the roof in 2020, it has gained over 32% this year, reflecting strong adoption of its commerce-enabling products and offerings.

I expect Lightspeed to continue to deliver outsized growth in the coming quarters. The continued shift in selling models towards omnichannel platforms, increased demand for its products and services, and accretive acquisitions provide a solid growth foundation. Meanwhile, its expansion into high-growth markets, higher average revenue per customer, cross-selling opportunities, and growing customer base bode well for [future growth](#).

## Bank of Montreal

Bank of Montreal has gained over 36% this year, and I expect the uptrend to sustain on the back of continued growth in earnings, an uptick in loan volumes, and strong deposits.

Notably, Bank of Montreal sees 7-10% growth in its earnings in the coming years, which is likely to support its growth. I believe the bank's diverse revenue model, expense management, and solid credit performance will continue to cushion its profits. Furthermore, the bank could continue to grow its dividends at a decent pace and enhance the overall returns of its shareholders.

## Pembina Pipeline

Pembina Pipeline stock is up about 39% this year, thanks to the recovery in energy demand and higher realized prices for commodities. I expect increased volumes, higher pricing, and cost-saving measures to drive its profitability and push its stock price higher. Furthermore, a solid backlog of growth projects, new projects, and contractual framework bodes well for growth.

Pembina Pipeline offers a dividend yield of 6.3%, which is very safe. Meanwhile, its robust fee-based cash flows indicate that the company could continue to bolster its investors' returns through higher dividend payments.

### CATEGORY

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

## TICKERS GLOBAL

1. NYSE:BMO (Bank of Montreal)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:PBA (Pembina Pipeline Corporation)
4. NYSE:SHOP (Shopify Inc.)
5. TSX:BMO (Bank Of Montreal)
6. TSX:GSY (goeasy Ltd.)
7. TSX:LSPD (Lightspeed Commerce)
8. TSX:PPL (Pembina Pipeline Corporation)
9. TSX:SHOP (Shopify Inc.)

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