2 Top Canadian Stocks to Buy for Market-Beating Growth

Description

The Canadian stock market is nearing a 20% gain year to date. It's also up close to 25% over the past 12 months, as many Canadian stocks have rebounded incredibly well from the COVID-19 market crash in 2020.

The growth over the past year hasn't been without volatility, though. We've witnessed surges in some sectors and massive selloffs in others. The recent volatility has made it very difficult to predict short-term movements in the market.

Fortunately, if you're a long-term Foolish investor, you don't need to be as concerned with the market's performance in the short term. Foolish investing is all about focusing on buying high-quality companies with strong competitive advantages and holding for the long term.

Regardless of how the market fares through the rest of the year, these are two top Canadian stocks that any long-term investor would be wise to have on their radar today.

goeasy

goeasy (TSX:GSY) has quietly been one of the top-performing stocks on the **TSX** in recent years. Shares are up a market-crushing 90% year to date, and it's been an eight-bagger over the past five years.

Even though the Canadian stock is riding an unbelievable bull run, I think there's plenty more gas left in the tank — especially ahead of the country's reopening.

The $3 billion company is a consumer-facing financial services provider. goeasy helps its Canadian customers with all kinds of loans, including home and auto. Customers are also able to lease home items such as furniture and appliances through the company's easyhome division.

The stock's recent performance is enough to have it on any Canadian investor's radar. But the reason it's on my watch list is because I don't think this bull run is ending anytime soon.

I'm comfortable betting that the reopening of the country will lead to a rise in consumer spending. After spending nearly two years stuck at home, Canadians are ready to get outside and begin spending their discretionary income again.

A rise in consumer spending can only mean good things for goeasy. And because the company offers all kinds of different loans, it should stand to benefit from the country's eventual reopening.

Best of all, this growth stock is trading at a bargain price. It's up nearly 100% year to date but still only trades at a forward price-to-earnings ratio of 15.

You won't find many other Canadian stocks trading at that price with the type of track record that goeasy has.

CargoJet

I don't think **CargoJet** (TSX:CJT) will match the growth of goeasy over the next decade, but it's definitely capable of continuing to outperform the Canadian market.

The air travel stock actually saw share prices skyrocket during the pandemic. That's because it's in the business of transporting cargo and not humans. The dramatic increase in online shopping during the pandemic has directly benefited demand for CargoJet's services.

Now as the country is planning its reopening, shares of CargoJet have taken a hit. It's trailed the market year to date and is down close to 20% below all-time highs.

Since I'm a long-term investor, though, I'm looking far past this short-term pullback. One of the main reasons I've got this Canadian stock on my watch list is because I'm extremely bullish on the growth of e-commerce. The more people continue to shop online, the more CargoJet will continue to grow.

Shopify isn't the only way Canadians can invest in e-commerce. At a price-to-sales ratio below 10, CargoJet is a much more affordable way to capitalize on the growth of the e-commerce industry.

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2. TSX:GSY (goeasy Ltd.)

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Date
2025/08/26
Date Created
2021/08/27
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