



Revealed: 2 Best Canadian Stocks to Buy in September 2021

Description

Canadian stocks may or may not overdue for that market pullback that many folks on television seem so convinced we're in for over the coming weeks. Market strategists are some pretty smart folks, but what they're attempting is a near impossibility. Trying to call a correction, pullback, crash, meltdown, or melt-up is virtually impossible.

Not even investing legends like Warren Buffett can do it! As such, individual investors need to make their own [decisions](#) and take every market-timing call with a grain of salt. Why? For every bullish call, you're likely to find a bearish call out there. So, remember, just because the market is overdue for a pullback does not mean one is imminent or that the next one will be more severe.

Without further ado, let's have a closer look at two of the best Canadian stocks I think investors should look to buy this September 2021. Although September and October have been known to be particularly volatile seasonal months, I'd argue that it could go either way, given the number of question marks that remain with the economic recovery and the ongoing COVID-19 pandemic.

Best Canadian stocks on the TSX in September?

Consider **ATS Automation Tooling Systems** (TSX:ATA) and **Fire & Flower Holdings** ([TSX:FAF](#)), two of the best mid-cap Canadian stocks going into 2021's end.

ATS Automation Tooling Systems

Now up a whopping 112% year to date, ATS Automation stock seems unstoppable. The global designer and manufacturer of automation systems now command a respectable \$4.3 billion market cap. And as its business continues gaining traction, I wouldn't be surprised to see the name en route to large-cap territory.

Undoubtedly, ATS shares have now gone parabolic. While there is a risk of a blow-off top over the near term, I'd argue that the valuation is still pretty well-supported by the ever-strengthening

fundamentals.

For the first fiscal quarter, ATS blew away the numbers, with 57% in top-line growth and a surging order backlog. Despite more than doubling over the past nine months, I still think the stock could have room to run over the long term. Whether there will be a pullback in the cards over the coming weeks is anybody's guess. Regardless, I think any pullbacks serve as opportune entry points for Canadian investors seeking incredible growth at a relatively [reasonable](#) price.

Today, the stock trades at a hefty 49.3 times trailing earnings but only 2.7 times sales. Given the high demand for the firm's products and continued momentum, I'd argue the stock isn't that expensive, even after doubling in such a short timespan. Between getting cut in half and doubling again, I'd have to say the odds are in favour of ATA stock doubling again.

In short, ATS is a wonderful business with a lot going for it. The price tag seems fair-valued here, so do be patient if you're looking to initiate a position.

Fire & Flower

Fire & Flower is a cannabis retailer that's trading at under a buck per share. The budding firm has been carving out a slice of its corner of pot retail. As the tides go out across the industry, with margin pressure resulting from retreating cannabis prices, I'd look for Fire & Flower to take advantage of the situation. I think cannabis retail is a race to the bottom and a race that will be won by deep-pocketed companies such as Fire & Flower, with solid omnichannel presences.

At 2.1 times sales, the Canadian stock is a bargain this September 2021. Although unprofitable, I do see Fire & Flower as a potential industry leader over the next decade. It's making smart investments, which will pay off in due time.

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