



3 Top Canadian Stocks to Buy in September 2021

Description

It's not cheap to be investing in Canadian stocks right now. The current bull run that's been going on for over a year and a half has sent valuations sky-high for many companies.

As a long-term Foolish investor, I'm comfortable overpaying for a top growth stock today because of my investing time horizon. Any stock that I add to my portfolio I plan on holding at the bare minimum, for five years.

If I was planning to invest only in the short-term I'd be much more concerned with valuation. The high price of [growth stocks](#) today makes it that much more difficult to predict short-term performance, as the steep valuations are likely to lead to high levels of volatility.

Investing in the long-term allows you to focus more on the company itself, rather than valuation. My focus is on searching for market-leading companies with strong competitive advantages. If there's plenty of growth potential for the company in the coming years, I'll gladly pay a premium to be a shareholder.

Here are three [top Canadian stocks](#) on my radar this month. They're not exactly value plays, but there's plenty of growth potential worth paying a premium for.

Constellation Software

Considering the growth that **Constellation Software** ([TSX:CSU](#)) has up in recent years, its high price tag is worth every penny. It's returned close to 300% in growth to shareholders in the past five years alone. Still, it's trading at a forward price-to-earnings ratio of just 40.

The [tech stock](#) has understandably seen growth rates decline in recent years. A large percentage of the company's growth is now driving by acquisitions, which partly explains why it's not trading at valuations like many other top tech stocks on the **TSX** today.

At a market cap nearing \$50 billion, I believe this Canadian stock is past its top growth years. That said, there's no reason to believe that it will begin lagging the market's returns anytime soon.

If you're looking for a reliable market-beating tech stock that's reasonably priced, Constellation Software is for you.

Brookfield Asset Management

Brookfield Asset Management (TSX:BAM.A)([NYSE:BAM](#)) is another reliable market-beating Canadian stock that any long-term investor would be wise to have on their radar.

While the asset management stock may not be able to match Constellation Software's growth, there are other reasons to have it in your portfolio. It's also trading at a cheaper valuation.

Brookfield Asset Management's broad investment portfolio provides much-needed diversification to shareholder's own investment portfolios. The company invests in businesses across the globe, spanning a range of different industries.

If you're interested in index funds, this Canadian stock should be at the top of your watch list. You'll benefit from the same type of diversification that an index fund would provide but with lots more growth potential.

Docebo

Last on my list is a high-flying tech stock that value investors won't want anything to do with. Shares of **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) are trading at a lofty price-to-sales ratio above 40.

It's a steep price to pay, but not many other Canadian stocks have matched the growth that Docebo has put up over the past two years. The tech stock joined the **TSX** in October 2019 and shares are already up close to 700%.

Docebo's cloud-based learning platforms saw a massive rise in demand during the pandemic, which isn't surprising given the sudden increase in employees working that from home last year.

I've got this Canadian stock on my radar because I'm bullish on the rise of remote work. An eventual return to shared office spaces for many employees could hurt Docebo's sales in the short term. I'm investing for the next 10 plus years, though. I'm betting that even as we move past this pandemic, remote work will continue to grow in popularity in the coming years.

CATEGORY

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2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)

2. NYSE:BN (Brookfield Corporation)
3. TSX:BN (Brookfield)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:DCBO (Docebo Inc.)

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