3 TSX Stocks That Could Beat the Market in 2022

Description

With volatility increasing in the markets and tapering around the corner, investors need to get their stock picks just right. Here are three large-cap Canadian stocks that can beat the **TSX** in 2022.

Air Canada

Air Canada (TSX:AC) has rebounded well in the last year and is up around 33% since September 2020. As global economies continue to reopen, albeit, with the occasional hiccup, AC stock can rightly be considered as one of the best investment options in the market right now.

In the second quarter of 2021, the company's balance sheet showed adequate liquidity and its revenue also rose by 59% compared to last year. Additionally, the EBITDA loss of $656 million was 21.2% lower than last year. Moreover, the company's average seat mile rose by 78% year over year.

Air Canada could derive outsized gains mainly due to the string of excellent business strategies adopted by its management that reduced its cash burn significantly. The company is also working toward expanding its cargo network. Driven by lockdowns and reduced demand for passenger flights, AC focused on expanding its on-demand cargo operations further so even if another fourth wave of COVID-19 hits the country, Air Canada won't lose out on its business like it did last year.

Kinaxis

Kinaxis (TSX:KXS) stock has gained 215% over the past five years and can be an ideal stock for investors seeking substantial growth. Kinaxis stock had badly succumbed to the market crash last year; however, the company staged a rebound, and is up by almost 13% year to date. This quick rebound was possible primarily because of the change in consumers purchasing behaviour during the pandemic that had enhanced the demand for the company's supply chain management software.

In its last quarter, Kinaxis had reported strong numbers. Annual recurring revenue increased by 24% year over year. Now analysts expect sales to rise by 9.8% to $246 million in 2021 and by 27.2% to

$313 million in 2022. KSX stock is down 8% from all-time highs and is trading at a market cap of $5.6 billion which might make value investors nervous given its steep multiples.

Shopify

Shopify (TSXSHOP)(NYSE:SHOP) is a growth bomb and the stock has gained over 3,400% in the last five years. SHOP stock is also up 31% in 2021. Investors seeking high growth can still consider this TSX heavyweight for their portfolios.

Similar to Kinaxis Shopify too is an expensive buy. However, the company has an amazing business model which always ensures its economic moat and portfolio of products and solutions continue to widen. Shopify’s platform has an easy-to-use interface and provides customers with an all-around experience.

Further, its partnerships like the one with Tiktok can potentially upscale Shopify’s sales to a large extent in the coming times. For the trailing 12-month period the company recorded revenue of US$3.85 billion and is forecast to touch US$6.21 billion in 2022.

Shopify is already the largest stock on the TSX in terms of market cap. However, SHOP stock is trading 9% below its all-time high allowing investors to “buy the dip.”

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSX:AC (Air Canada)
3. TSX:KXS (Kinaxis Inc.)
4. TSX:SHOP (Shopify Inc.)

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