



The 3 Smartest TSX Stocks to Buy With \$500 Right Now

Description

Forget the market volatility. These three TSX stocks could play well in the long term.

Magnet Forensics

Magnet Forensics ([TSX:MAGT](#)) stock has dropped almost 25% so far in September. The newcomer small-cap stock unsurprisingly saw an exaggerated impact of the recent broad market selloff. However, this presents a decent long-term opportunity for discerned investors.

Magnet Forensics is a \$1.6 billion software company that provides public as well as private entities tools to investigate cyberattacks. Its marker product Magnet AXIOM helps in digital investigations to recover and analyze data from smartphones, cloud, and IoT devices.

The cybersecurity market is already growing at a rapid pace and could bode well for Magnet's top-line growth. Also, Magnet's public sector customer base will likely bring long-term revenue stability. Its innovative product base, attractive profit margins, and potential earnings growth should play well for shareholder returns.

MAGT stock is still sitting at a 130% gain in just the last six months, despite the [recent drop](#). I expect a strong upward movement from this newbie driven by its robust financial performance in the next few quarters.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has been one of the top [wealth creators in Canada](#) in the last few years. It has gained more than 730% since March last year and still seems to have steam left.

Its software-as-a-service platform enables multichannel operations and goes beyond e-commerce. Lightspeed currently operates in more than 100 countries, and its recent foray south of the border

should play well for its long-term revenue growth.

In the latest reported quarter, the company reported US\$116 million in revenues, representing 220% growth year over year. Lightspeed's strategic acquisitions and growing merchant base and reopening economies will likely further boost its financials in the next few quarters.

LSPD stock is currently trading at its all-time high and looks stretched from the valuation view. It is trading at a price-to-sales ratio of 50 and a price-to-book value of eight. However, we have seen several rallies in the past when investors have paid no heed to concerning valuations. Lightspeed stock falls in that category. It could continue to rally, despite the premium valuation.

Air Canada

The flag carrier stock **Air Canada** ([TSX:AC](#)) is even more attractive after its 30% fall since June 2021. Although recent acceleration in coronavirus cases creates jitters about re-openings, several factors could be highly favourable for AC stock investors.

We will likely see relatively eased travel restrictions in the next few months amid higher vaccinations. That could help Air Canada's [financials](#), which are already on a rising trend. Pent-up demand, encouraging revenue growth, and lower cash burn could drive Air Canada towards profitability faster.

AC stock does not look expensive from the price-to-sales valuation angle. It is currently trading 57% lower than its pre-pandemic highs. Air Canada's capacity additions and strong balance sheet and reopening economies indicate a strong recovery is in the making. Long-term investors should ignore short-term chaos and consider AC stock for the post-pandemic world.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:AC (Air Canada)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:MAGT (Magnet Forensics)

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Date

2025/09/09

Date Created

2021/09/22

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