



What Are the Top 3 Stocks to Buy in October 2021?

Description

Like most Septembers, the [September](#) of 2021 brought with it some market correction. The TSX Composite Index fell 2.04% this month compared to a dip of 2.19% in September 2020 and had a surge of 2.4% in September 2019. This dip has created a small window of opportunity to buy good [growth stocks](#) at a 5-15% discount.

Being a tech enthusiast, I have identified the top three stocks to buy right now before they rally.

- **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#))
- **Nuvei** ([TSX:NVEI](#))
- **goeasy** ([TSX:GSY](#))

Shopify stock

The pandemic has given a new direction to e-commerce, as lockdowns made many people dependent on online shopping, even for necessities. This trend accelerated Shopify's growth by 10 years, making it the most valued stock on the Toronto Stock Exchange.

The company saw more than 95% growth in revenue as all retailers, big and small, opened their Shopify stores. That justifies the stock's 315% growth between March 2020 and July 2021, as it crossed the \$2,000 mark. It has now corrected 16% in the last two months and is trading at 56 times its sales per share. It could rally 15% and cross the \$2,000 mark this holiday season, as people shop for gifts and vacations.

Nuvei stock

Transaction volumes could spike in the holiday season. While this will benefit e-commerce companies, the facilitators of those e-commerce transactions will benefit more. Nuvei is the payment transaction facilitator that enables merchants to accept payments from different modes and countries. It earns more than 80% of its revenue from e-commerce.

Nuvei launched its initial public offering at the peak of the e-commerce wave (September 2020). Since then, the stock has [surged](#) 220% on the back of transaction volumes from which it earns a commission. The September correction has pulled the stock down 7.4%, and it is trading at 38 times its sales per share. The upcoming holiday season could spike transaction volumes and drive the stock to new highs.

goeasy stock

The new e-commerce trend that is catching momentum is called “buy now, pay later (BNPL)”. The non-prime credit firm goeasy is leveraging this opportunity to increase its POS lending solutions. goeasy stock surged 594% between March 2020 and September 2021 on the back of loan insurance and a surge in repayment. As the economy recovers and jobs increase, consumer spending habits are normalizing.

The holiday shopping fever could increase BNPL transactions, driving goeasy’s loan origination and processing revenue. It saw early signs of recovery in the [second quarter](#), as loan originations increased 122% year over year. September correction has pulled goeasy stock down 6.6%, creating a buying opportunity before the stock resumes to growth in the holiday season.

The three stocks could ride the holiday season rally and make a new high by mid-January 2022. Don’t wait to buy these stocks when they reach their peaks, or you may face a higher downside risk. A fundamental stock with growth potential is good when purchased at a dip.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:GSY (goeasy Ltd.)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:SHOP (Shopify Inc.)

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