2 Stocks That Could Exceed All Expectations

Description

The **S&P/TSX Composite Index** tanked by 3.70% for a month between September 3 and October 4, 2021, before the benchmark index regained some of the losses. At writing, the index is on an upward trend, having regained over 360 points within three days of trading since October 4.

The opportunity for stock market investors looking to beat the broader market has arrived. As the TSX begins climbing again, it might become challenging for investors to find equity securities that can provide them with market-beating returns — whether it is through growth stocks or beaten-down stocks making a rapid recovery.

Today, I will discuss one such stock each to help you identify a couple of stock picks you should have on your radar if you are looking for companies that could exceed all expectations.

Kinaxis

Kinaxis (TSX:KXS) is a Canadian growth stock that has put up a stellar performance in recent years. However, the onset of COVID-19 and the ensuing downturn in February and March 2020 led to the stock declining significantly in a matter of weeks. Investors seeking wealth growth through capital appreciation could consider adding the stock to their portfolios, because the stock has posted massive gains since it began recovering.

At writing, the stock is trading for $185.65 per share. The $5.07 billion market capitalization stock is up by 92% from its March 2020 low. The company's recovery on the stock market was made possible by the rise in demand for its supply chain management software due to changing consumer behaviour in the pandemic.

Value investors might be worried about investing in the company, since its share price is close to its all-time high. However, the company reported strong numbers in its last quarterly earnings report, indicating that it has the potential to deliver more upside.

Air Canada

Air Canada (TSX:AC) has been on a roller-coaster ride on the TSX since the global health crisis effectively grounded most flights. As global economies continue to reopen, the demand for commercial flights could provide the beleaguered airline stock the boost it needs to regain favour among shareholders.

Air Canada stock is trading for $23.09 per share at writing, and it is up by 4.43% year to date. The second quarter for fiscal 2021 saw its balance sheet improve significantly, as its revenues increased by almost 60% from last year. The airline's EBITDA loss was 21.2% lower than in the same period last year.

Between the company's increased focus on expanding its cargo business, cost-cutting measures, and a rise in demand for passenger flights, Air Canada stock could be a valuable investment for long-term investors at today's share prices.

Foolish takeaway

The broader market has begun a trend towards recovering from the rough month the TSX had in September. Most high-quality stocks that declined during the downturn can provide shareholders with decent returns as they recover to better valuations, but some stocks have the potential to provide you with greater returns.

The beleaguered airline stock and oversold tech stock could provide investors with stellar shareholder returns during the upside in the market.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:AC (Air Canada)
2. TSX:KXS (Kinaxis Inc.)

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