



3 Top Canadian Stocks to Buy This Month

Description

Despite the concerns over rising inflation, which reached an 18-year high of 4.4% in September, the Canadian equity markets have continued their upward momentum, with the **S&P/TSX Composite Index** rising over 21% higher for this year. The expectation of improving corporate earnings appears to have driven the markets higher. Amid increasing investors' confidence, here are three top Canadian stocks that you can buy right now.

Canadian Natural Resources

Canadian Natural Resources ([TSX:CNQ](#))([NYSE:CNQ](#)) has witnessed a strong buying this year, with its stock price rising by over 70%. Higher oil prices, strong financials, and raising of guidance by the management appear to have increased investors' confidence, driving its stock price higher. Meanwhile, I expect the uptrend to continue, as oil prices could remain elevated in the near to medium term. Bank of America Global Research expects oil prices to reach \$100 per barrel in case of a severe winter.

Canadian Natural Resources has also increased its capital budget for this year by \$275 million to \$3.48 billion. Along with these investments, strong operating performance and higher oil prices could boost the company's financials and stock prices in the coming quarters. The company also pays a quarterly dividend of \$0.47 per share, with its forward yield at 3.56%. Despite its healthy growth prospects, the company currently trades at an attractive forward price-to-earnings multiple of 8.2.

Lightspeed Commerce

Second on my list is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which has witnessed a steep correction of over 28% from its recent highs. A recent report from Spruce Point Capital Management, which accused Lightspeed of fudging numbers, had made investors nervous, thus leading to a steep fall. However, Lightspeed has denied any wrongdoing and has termed the report as misleading and intended to benefit Spruce Point.

Meanwhile, the correction could be an excellent buying opportunity for long-term investors. The

growing adoption of the omnichannel selling model and the rise in online shopping provides long-term growth potential for the company. Also, the company has continued with its strategic acquisitions by acquiring ShopKeep, NuORDER, Vend, and [Ecwid](#) over the previous 12 months. A growing customer base, new product launches, geographical expansion, and higher revenue from recurring sources could continue to boost its financials in the coming quarters.

Aurora Cannabis

Third on my list is **Aurora Cannabis** ([TSX:ACB](#))(NYSE:ACB), which has appreciated by over 8% since reporting its fourth-quarter performance on September 27. Although its top line missed expectations, the company's net losses and cash burns declined during the quarter. Further, the company also announced that its business transformation plan is on track to deliver \$60-\$80 million of annual savings, thus providing a clear pathway to achieve positive adjusted EBITDA.

Meanwhile, Aurora Cannabis has acquired a leadership position in the Canadian medical space with a market share of around 20%. With the segment generating over 60% of gross margin, the company has allocated more resources to drive growth. It is working on strengthening its position in the European Union, given its significant market potential. The company also focuses on launching premium and higher-THC content products to improve its sales in the Canadian recreational space. So, given its growth prospects, cost-cutting initiatives, and expanding addressable market, [I am bullish on Aurora Cannabis](#).

CATEGORY

1. Cannabis Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:ACB (Aurora Cannabis)
2. NYSE:CNQ (Canadian Natural Resources)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:ACB (Aurora Cannabis)
5. TSX:CNQ (Canadian Natural Resources Limited)
6. TSX:LSPD (Lightspeed Commerce)

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