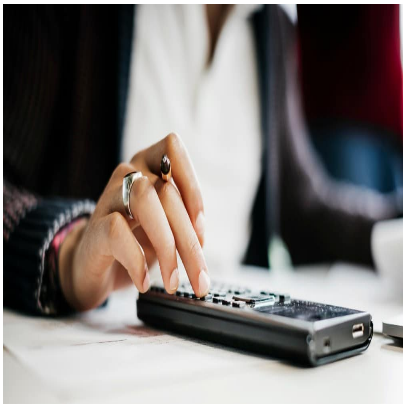

2 Mid-Cap TSX Stocks to Buy Now

Description

The Canadian equity markets have resumed their stellar run after a rough month in September. At writing, the **S&P/TSX Composite Index** is up by over 5% since its October 4th low, and it is touching new all-time highs with each passing day. The Canadian benchmark index is up by over 21% year to date. Despite concerns of rising inflation, the stock market looks ripe for the picking.

If you are just starting investing, it is crucial to make a well-informed decision about the assets you can add to your portfolio to make a running start as a self-directed investor. You might feel tempted to go after the biggest names on the stock market if you have the capital to invest. However, I would highly recommend taking a good look at mid-cap TSX stocks in the current operating environment.

Investing in mid-cap stocks could provide you with the stability that high-growth stocks do not have while offering superior short- and medium-term returns than well-established blue-chip stocks that have little more room to grow. Provided you choose the right companies, you could set yourself up to become a much wealthier investor in the long run.

Today, I will discuss two of the top mid-cap TSX stocks that you can consider adding to your portfolio for this purpose.

goeasy

goeasy (TSX:GSY) has been a terrific performer on the TSX for the last two decades and has grown considerably during that time. The company provides subprime loans to people who cannot qualify for loans through traditional lenders, and the growing debt crisis has led to significant demand for the services it provides.

Despite catering to a significant number of customers, goeasy has only acquired 3% of its addressable market. It means that the stock has plenty of growth to offer.

The company recently acquired LendCare, adding another business vertical under its belt and increasing its addressable market. The company raised US$320 million in liquidity through various debt facilities. Combined with strong economic activity in the coming months, the demand for its services could go through the roof.

goeasy stock is trading for $191.41 per share at writing, up by 101% year to date and a massive 6,300% in the last 20 years, with most of its growth coming after the market recovered from the pandemic-fueled selloff frenzy in 2020.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) is another company that has seen a massive boost during the pandemic. The $3.31 billion market capitalization company is a learning management solutions provider for enterprises, their employees, and their customers. The onset of COVID-19 and ensuing lockdown measures to curb the spread of the disease led to a surge in demand for its services.

The company delivered an impressive return of over 385% last year, and it has maintained its strong momentum in 2021. The stock is trading for $101.26 per share at writing, up by 26.65% year to date. However, the stock declined by 26% between September 16 and October 4 amid the broader selloff in the market. Its share price has climbed by almost 17% from its October 4th low.

The company's customer base continues to grow. Combined with rising average contract values and most of its revenues coming from recurring sources, Docebo stock could provide you with significant returns for a long time.

Foolish takeaway

While mid-cap stocks offer relatively better stability than small-cap growth stocks, you should know that they tend to be more volatile than their larger peers. Determining the right mid-cap stocks to invest in can make a world of difference in whether your investment portfolio can outperform the market to deliver you superior long-term returns.

goeasy stock and Docebo stock are two high-quality mid-cap stocks that undoubtedly possess the potential to deliver on that promise. It could be the right time to pick up the shares of these two companies while they trade for a reasonable value on the stock market.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)
3. TSX:GSY (goeasy Ltd.)

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