



3 Top Canadian Stocks to Buy This Month

Description

Amid the expectation of supply chain headwinds, a slowdown in economic recovery, rollback of quantitative easing measures, and rising inflation have made the Canadian equity market volatile over the last few days. However, I expect the following three Canadian stocks to outperform in this volatile environment given their healthy growth prospects and favourable business environment.

Air Canada

My first pick would be **Air Canada** ([TSX:AC](#)), which had reported [better-than-anticipated third-quarter performance](#) yesterday. Its operating revenue increased by 177.8% to \$2.10 billion, while its EBITDA losses improved from \$554 million to \$67 million. The growth in passenger traffic and a solid performance from its cargo segment drove the company's sales. Its available seat miles capacity improved 87% year over year, in line with expectations. The company's revenue from the cargo segment crossed \$1 billion for the first time.

Along with these factors, Air Canada's effective cost-reduction measures improved its adjusted EBITDA while delivering net cashflows of \$153 million for the quarter. Meanwhile, I expect the uptrend in the company's financials to continue amid the reopening of economies and widescale vaccination. The company has resumed its service to various destinations worldwide. For the fourth quarter, the management expects to increase its ASM capacity to 135% year over year.

Also, its financial position looks impressive, with its liquidity standing at \$14.4 billion as of September 30. Given its solid liquidity position, positive net cash flows, and improving business environment, Air Canada's management has announced to stop providing net cash burn guidance from the next quarter. Despite its healthy growth prospects and improving financials, the company trades at an attractive price-to-sales multiple of 0.6, providing an [excellent buying opportunity](#).

BlackBerry

Given its multiple growth drivers, I believe **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) would be an excellent buy

right now. The company is looking at expanding its presence in the automotive sector. It has partnered with Google and **Qualcomm** to improve the cockpit experience by consolidating all the functionalities into a unified architecture. Additionally, the company's IVY platform offers significant growth prospects given the rising software components in the vehicles. Also, the company has design wins with 24 of the 26 prominent electric vehicle manufacturers.

Now moving into the cybersecurity space, BlackBerry is strengthening its product offering through new and innovative offerings. Also, it has partnered with several companies, such as Okta, Mimecast, Stellar Cyber, and XM Cyber, to develop a set of security products and modules to shield its clients from cyber attacks.

Lightspeed Commerce

My final pick would be **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which has witnessed a steep correction over the last few weeks due to a bearish report from Spruce Point Capital Management, which had accused the company of fudging its number. However, Lightspeed has denied all allegations. Meanwhile, I believe the correction provides an excellent entry point for long-term investors, given the favourable business environment. Amid an increased adoption of online shopping, the e-commerce industry is witnessing solid growth, expanding Lightspeed's addressable market.

The company also focuses on launching innovative products and expanding its geographical presence to drive growth. It recently expanded its Lightspeed Payments service to Australia and the U.S. Meanwhile, the acquisition of ShopKeep, NuORDER, Vend, and Ecwid has expanded its customer base and strengthened its competitive positioning.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:AC (Air Canada)
4. TSX:BB (BlackBerry)
5. TSX:LSPD (Lightspeed Commerce)

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