



2 of the Best Canadian Stocks to Buy in November

Description

Canadian stocks could really start to heat up this November, as we exit a seasonally weak period for a seasonally [intriguing](#) one. The holiday season won't be as booming for retailers this year, given lingering COVID-induced supply chain issues. And the U.S. Fed could shock and disappoint, as the tapering process kicks off, with interest rates inching up. Undoubtedly, higher rates aren't the best for common stocks, but they're certainly not as bad as most think, especially if a robust economy backs such rate hikes. If anything, a rate hike or two would still leave interest rates close to the floor. And if the economy continues chugging along, the path of least resistance certainly seems to be higher, perhaps much higher.

Furthermore, tapering and slow and steady rate hikes seem to be already baked in. If the Fed were to become more aggressive, which seems highly unlikely here, only then would the volatility grow to become off the charts. In the meantime, investors should focus on the best Canadian stocks this November, as various pundits seem incredibly bullish on the last two months and the potential return of a Santa Claus rally.

This November, I think **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are great pick-ups for investors seeking timely gains over the next 12 to 18 months.

Bank of Nova Scotia

Bank of Nova Scotia is Canada's most international bank. With that, it's had to deal with a heavy hit from the COVID crisis. Undoubtedly, emerging markets may take longer to recover from the crisis, given vaccines may be less readily available. Still, emerging markets tend to be worth the shot at greater rewards over the long run, especially when you can gain exposure at a historically low multiple.

Today, shares of BNS look dirt cheap at 11.5 times trailing earnings. With a 4.4% dividend yield and room to run once rate hikes kick in (the Bank of Canada could raise quicker than expected), BNS is a top value pick with arguably the most room to the upside once we have a full return to normal. Finally, let's not forget about dividend hikes. Eventually, the banks will be granted the ability to hike payouts

again, and BNS could reward its shareholders with a surprisingly high raise.

Shopify

Shopify is an e-commerce darling that's starting to see growth stall out. Despite missing its recent quarter, the small- and medium-sized business (SMB) e-commerce play has held its own rather well. Off around 12% from its all-time high, though, investors should look to top up this November while Shopify stock begins to consolidate before its next leg higher. Nobody knows when this next leg higher will be. But I think that the 45 times sales multiple may prove to be too cheap, given management's ability to impress with its many growth levers.

Shopify stock is a [great buy](#), even as rates begin to ascend. At the end of the day, SHOP needs to prove it can grow into its high multiple. Not only is it capable of doing so, but it could outgrow its multiple, calling for more multiple expansion at some point down the road.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date

2025/07/01

Date Created

2021/11/04

Author
joefrenette

default watermark

default watermark