



Top 3 TSX Stocks to Buy Now

Description

With the Canadian market trading at all-time highs today, it's not a cheap time to be investing in stocks. The **S&P/TSX Composite Index** is up over 20% this year and isn't showing many signs of slowing down.

As a long-term investor, I'm not letting the market's rich valuation significantly impact my investing strategy. My focus remains on buying high-quality companies and holding for the long-term.

What *has* changed for me in the past few months is the types of stocks I'm buying right now. I'm primarily a [growth investor](#) that owns companies with steep price tags and high-growth multiples. But when looking at the current bull run we're riding and the market's valuation, my watch list has a few more value-oriented stocks on it than it usually does.

I've put together a well-diversified basket of three top Canadian stocks. Each of the companies is high up on my watch list right now. Whether you're looking for growth, [passive income](#), or value, this basket has you covered.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is by far the most expensive company in this basket. Shares are trading at a price-to-sales above 20 today. It's not the most expensive stock on the **TSX** but there's no question it's a richly valued company.

The [tech stock](#) is down close to 50% from all-time highs. A short report in September and the company's quarterly earnings release in November both sent the stock spiralling downward.

Lightspeed managed to deliver year-over-year quarterly revenue growth of close to 200% in its most recent quarter. Management is committed to its growth strategy, which is why investors are willing to pay a premium to own shares of this high-priced growth stock.

Sun Life

To balance out the first pick in this basket, I've included a steady dividend-paying insurance stock. Also, **Sun Life** ([TSX:SLF](#))([NYSE:SLF](#)) is trading at a very reasonable price right now.

At a market cap of \$40 billion, Sun Life is the second-largest insurance provider in the country. In addition to its strong Canadian presence, Sun Life has operations spread across the globe. The company is focused on increasing its international market share, most notably in Asia, which Sun Life claims to be one of its fastest-growing regions.

While Sun Life is no stranger to outperforming the market, growth isn't the main reason it's on my watch list. Volatility levels tend to be relatively low with insurance stocks. While it's not the fastest-growing area of the market, it is a dependable one.

The insurance stock is trading at a forward price-to-earnings of barely over 10 today. At a price like that, even value investors would be wise to have Sun Life on their watch lists.

goeasy

goeasy ([TSX:GSY](#)) has quietly been one of the top-performing stocks on the TSX in recent years. Considering the growth the stock has put up in recent years, it's surprising that goeasy doesn't receive more attention.

Shares are up close to 700% over the past five years and more than 3,000% over the past decade.

The \$3 billion company provides all kinds of different personal loans to its Canadian customers. With interest rates as low as they are today, it's not a surprise to see the company doing well. But I've got goeasy on my watch list because I don't think the demand for its products will be going to slow anytime soon.

As we slowly continue to return to our pre-COVID-19 lifestyles, an increase in consumer spending would not at all be a surprise to see. And if that does indeed happen, goeasy could see a massive rise in demand in some of its personal loan categories.

With the stock's growth slowing in recent years, another seven-bagger over the next five years is a lot to ask. I would, however, be comfortable betting on many more years of market-beating growth for goeasy.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:GSY (goeasy Ltd.)

3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SLF (Sun Life Financial Inc.)

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