2 TSX Stocks That Could Double Next Year

Description

The bull run that the Canadian market is riding has to come to an end at some point. The **S&P/TSX Composite Index** is up more than 20% year to date. It's nearing an incredible 85% gain since the COVID-19 market crash in early 2020. We'll be hit with another market crash at some point, but I don't think now's the time to sell and take profits.

With the country's reopening already in progress, I'm betting that 2022 will be another year full of gains. There's plenty of pent-up consumer demand that could lead to a surge in discretionary spending in the upcoming year. That could help fuel the economy and keep this bull run roaring.

I wouldn't feel comfortable betting on another 20% gain for the broader market in 2022. That being said, I believe there are individual TSX stocks that have the potential to drive that type of growth next year. Not only that, I think some Canadian companies have the potential to grow upwards of 100% in 2022. Here are two top candidates for TSX stocks that could double next year.

TSX stock #1: Nuvei

This tech stock is still relatively new to the TSX. **Nuvei** (TSX:NVEI)(NASDAQ:NVEI) only went public in September 2020, but shares are already up close to 200%. The stock comes at a hefty price tag today, but I think Canadian investors would be wise to take a chance on this growth pick.

The TSX stock has quickly grown into a $20 billion company with a global presence. The tech company provides all kinds of different payment solutions to its customers, including online, mobile, and in-store payments.

Nuvei is going head to head with another Montreal-headquartered payments company, **Lightspeed Commerce**. And after Lightspeed's recent selloff, Nuvei is the larger company of the two based on market cap size.

The tech stock reported its 2021 Q3 numbers in early November. Quarterly revenue growth for Nuvei was up 96% year over year and total payments volume was up just shy of 90%. Product innovation and geographic expansion continue to be top of mind for management's growth strategy, which is why I believe Nuvei's growth story is just beginning.

What investors need to keep in mind is the growth stock's valuation. It's trading at a lofty price-to-sales ratio above 20. At that kind of valuation, volatility should be expected.

TSX stock #2: Air Canada

Prior to the COVID-19 pandemic, **Air Canada** (TSX:AC) had been a market-crushing TSX stock. Shares were up more than 3,000% from 2010 to 2020. Growth like that is not very common among airline stocks in North America.

The COVID-19 market crash in early 2020 sent shares of Air Canada plummeting 70%. The stock initially rebounded well from its lows in late March 2020, doubling in price by the end of the year. But shares have been trailing the market's returns in 2021 so far.

With the country's reopening already in progress, Air Canada is at the top of my watch list. The airline stock's strong market-beating track record has me willing to take a chance on the company while shares are still down 50% from all-time highs.

If you're bullish on a strong economic recovery in the coming year, this TSX stock has the potential to double in size before the end of 2022.

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Date
2025/07/17
Date Created
2021/11/19
Author
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