2 Top TSX Stocks to Buy Before the End of the Year

Description

The Canadian market's steep valuation today understandably has some short-term investors worried. The **S&P/TSX Composite Index** is nearing a 25% gain year to date. Not only that, but the broader Canadian market is up over 80% since late March 2020.

A pullback is due at some point. When that will actually happen, though, is anybody's guess. But considering the market is up close to 100% in less than two years, I'd be prepared for a substantial pullback sooner rather than later.

That being said, I'm not letting the market's current valuation impact the companies that I'm looking to invest in next. That's because I'm investing for the long term, meaning that I'm not overly concerned with potential volatility in the short term.

I've got two high-quality Canadian companies at the top of my watch list heading into this holiday season. Both TSX stocks have crushed the market's returns in recent years. And now that they're both trading below all-time highs, this could be an opportunistic time to pick up some shares.

TSX stock #1: Brookfield Renewable Partners

If you're bullish on the growth of renewable energy, now's the time to be investing. Green energy stocks had a strong showing in 2020, but it's been a struggle this year for the sector. Many leaders in the space, including **Brookfield Renewable Partners** (TSX:BEP.UN)(NYSE:BEP), are not only trailing the market this year but are trading at a loss.

Brookfield Renewable Partners's $13 billion market cap ranks it as a global leader in the growing renewable energy sector. The company has operations spread across the globe, offering its customers a range of different renewable energy options, including wind, hydro, and solar.

Shares may be down 15% year to date, but this TSX stock still has a strong track record of delivering market-beating gains. The stock has more than doubled the returns of the Canadian market over the past five years. And that's not even factoring in the company's impressive 3% dividend yield.

Down more than 25% from all-time highs, I'd urge long-term investors to seriously consider investing at these prices.

TSX stock #2: Docebo

This tech stock only joined the TSX in 2019 but has done nothing but impress shareholders so far. Shares of **Docebo** (TSX:DCBO)(NASDAQ:DCBO) may be richly valued, but they are also up more than 600% in barely over two years.

The TSX stock exploded during the pandemic, as demand for the company's virtual learning platforms dramatically increased. The sudden shift to remote work for employees across the entire globe has led to lots of new business for Docebo over the past year and a half.

Even down 10% from all-time highs, the tech stock is still valued at a premium. Shares are currently trading at a price-to-sales ratio above 25. It's not the most expensive growth stock on the TSX, but it's not far behind.

If you're investing in a stock that's been a six-bagger over the past two years, you're going to need to pay up. I don't know if I'd bet on another 600% gain in the coming two years, but I'm certainly banking on Docebo to continue crushing the market's returns.

If you're bullish on the rise of remote work, this is one TSX stock you'll want to have in your portfolio.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:BEP (Brookfield Renewable Partners L.P.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:DCBO (Docebo Inc.)

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