2 Best Mid-Cap Stocks to Buy in December

Description

The Canadian stock market has been on a stellar run throughout most of 2021, barring a few rough patches. At writing, the **S&P/TSX Composite Index** is up by 22.40%, and the anticipation of further economic expansion will likely drive the Canadian benchmark index higher as we inch closer to 2022.

It could be the right time to start investing in the stock market. Knowing the basics of how to start investing is crucial to get a better idea of where you could begin allocating your investment capital for long-term success.

Choosing small-cap stocks with high-growth potential might be too risky for cautious investors. Investing in large-cap companies that have already realized much of their growth potential might not offer enough upside with the stability that comes with them.

However, the right mid-cap **TSX** stocks can offer a decent mix of upside potential and stability that could suit your financial goals and risk tolerance. Today, I will discuss two such mid-cap stocks that you should have on your wish list for December as 2021 comes to a close.

Docebo

Docebo (TSX:DCBO)(NASDAQ:DCBO) stock is a $2.88 billion market capitalization company that has rapidly become popular due to pandemic-induced restrictions. The company has benefitted due to the high demand for e-learning platforms as the global workforce increasingly shifts toward a remote work infrastructure. While the worst of the pandemic is behind us, the remote work trend might sustain for years to come.

The company's management expects the e-learning management software market to grow at a compound annual growth rate (CAGR) of 21% in the next four years. Docebo has a large addressable market and continues to launch more innovative products. Also, 93% of its revenues come from recurring sources. The current sell-off in the broader market has caused a correction in its share price that could make it an attractive pick on the dip.

At writing, the stock is trading for $87.36 per share, down by 25.40% from its September 2021 high.

goeasy

goeasy (TSX:GSY) stock is a $3.07 billion market capitalization company that has also benefitted greatly during the pandemic. goeasy provides loans to borrowers who can't qualify for loans from traditional lenders and has a massive addressable market. Despite the challenges presented by the pandemic, goeasy stock has delivered a strong performance that reflects in its share prices.

A slew of acquisitions that have added new business verticals and improved its competitive edge in key markets has also favoured goeasy. The company's management expects its loan portfolio to grow by over 50% to hit the $3 billion mark in the next two years. The broad pullback in the market has led to a correction in its share price in recent weeks.

At writing, the stock is trading for $185.38 per share, down by 14.83% from its September 2021 high.

Foolish takeaway

Despite hovering near all-time highs, the healthy growth prospects and attractive valuations for both TSX stocks could make them ideal additions to your investment portfolio as 2021 comes to an end in December at current levels.

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Date
2025/09/12
Date Created
2021/11/30
Author
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