



The 2 Best Canadian Stocks to Buy in December 2021

Description

After a lacklustre year of gains in 2020, the Canadian stock market has come back roaring this year. The **S&P/TSX Composite Index** was barely positive in 2020, largely trailing the U.S.-based **S&P 500 Index's** gain of over 15%. In 2021, though, the Canadian market's nearly 20% gain is much more on par with what the American market has returned.

Even with the **S&P/TSX Composite Index** near all-time highs, now is not the time for long-term investors to be on the sidelines. With the country still in the early stages of its reopening, the market's [growth](#) may just be getting started.

There are plenty of Canadian stocks that stand to benefit from the country's reopening, such as **Air Canada** ([TSX:AC](#)). There are other companies, particularly in the [tech sector](#), which are trading well below all-time highs.

Long-term investors would be wise to take a close look at the discounted tech sector this month. There are many market-beating tech stocks, including **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)), that are trading at very [opportunistic discounts](#) right now.

If you've got the time horizon to patiently wait for the growth to return, these are two of the top Canadian stocks to be investing in this month.

Canadian stock #1: Descartes Systems

All the recent talk surrounding supply chain issues has landed Descartes Systems on my watch list this month.

In layman's terms, the tech company helps its customers improve processes throughout their entire supply chain management operations. From demand and supply planning to inventory management, the company's wide product offering is just one of the reasons why it's been able to build a strong position in the market.

The Canadian stock is no stranger to outperforming the market's returns. Shares are up 250% over the past five years and more than 30% in 2021 alone.

The recent supply chain struggles across the globe have certainly had a positive impact on the tech stock. And now that shares have slightly pulled back from all-time highs, I'm ready to start a position.

Like many other companies in the tech sector, Descartes Systems has seen its stock sell off over the past few weeks. The new COVID variant has sent the entire market sliding, but it's in the high-priced tech sector that investors have witnessed the steepest declines.

Shares of Descartes Systems are down about 10% from all-time highs. It's not a significant discount, but it is a rare one. I'd act fast if you're thinking of starting a position, because you may be waiting a while for another 10% drop.

Canadian stock #2: Air Canada

Canada's largest airline, Air Canada, has unsurprisingly seen its stock suffer throughout this pandemic. Shares are up about 75% from their lows in March 2020, but the Canadian stock is still down more than 50% from all-time highs.

We still may be a ways away from completely putting this pandemic behind us, but we're already beginning to see a rise in international travel. I believe that many of us are realizing that the air travel experience doesn't look all that different than it did prior to the pandemic.

Air Canada was one of the few North American airline stocks enjoying market-beating growth before the pandemic hit. Even with the COVID-19 market crash, shares are still up a market-beating 50% over the past five years.

If you're looking to invest in the country's reopening, this Canadian stock may be closer to returning to market-beating growth than many investors may think.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:AC (Air Canada)
3. TSX:DSG (The Descartes Systems Group Inc)

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