



2 TSX Stocks I'm Buying Before Christmas

Description

You may not remember, but only three years ago, **TSX** stocks were experiencing a correction, like they are today. From November 2018 to December 24, 2018, the TSX Index lost more than 1,000 points. That was a 7% decline. The market did not stop going down until Christmas Eve, where it settled at 14,222 points.

The good news is that investors who bravely bought the dip were quickly rewarded. At the end of January 2019, the market had recovered its losses and was up 9% after Christmas Eve. Even after the 2020 [market crash](#), and the recent price weakness, the TSX Index is still up 45%! Chances are good that if you own individual equities, your portfolio performed even better than the index.

Don't time the TSX: Just buy great stocks for the long run

The point in all of this is that investing is a long-term game. As has been said by many great investors before, "It is time in the market, not timing the market." The fact is, if you own stocks in high-quality businesses, your chance of positive returns improves the longer you hold those stocks.

Buying stocks at a discount on market dips certainly helps your long-term chances of success. So, if I had some spare investable cash, here are two TSX stocks that could be due for a quick rebound in 2022.

Lightspeed Commerce: A beaten-down TSX tech stock

It has been a very ugly time for **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock. At about \$52 per share right now, this TSX stock is down 68% since late September 2021. The company was hit with a short report and then it came out with weaker-than-expected results (somewhat confirming the short's accusations).

However, the decline has adjusted Lightspeed's valuation to a much more reasonable range. It trades at 14 times sales. That is still expensive. However, for a stock that has been growing revenues by triple

digits, it is not bad.

Despite the short report, its business has a powerful omni-channel sales platform. Its services are essential to its retail- and hospitality-focused merchants. The market is fearing the worst with the Omicron variant. Lightspeed stock looks oversold here. Likewise, the stock is being punished by year-end tax-loss sellers. If you don't mind a bit of risk, this TSX stock could be primed for [a New Year's rebound](#).

Cargojet: A transport stock set for recovery

Another TSX stock that is starting to look very cheap is **Cargojet** ([TSX:CJT](#)). Many investors may not realize, but this stock has delivered a very attractive 35% annual compounded return over the past 10 years. Its stock is up 1,900% in that time! Yet over the past year, its stock is down 23%.

Cargojet has been facing challenging year-over-year comparables in its results. Likewise, inflationary costs (fuel and staffing costs) have been putting pressure on margins as of late. Despite these temporary issues, Cargojet has a very sound business. It has a near monopoly on the overnight air cargo market in Canada. It has the specialized routes, planes, infrastructure, and relationships to maintain very strong market share.

As [e-commerce](#) and next-day/same-day delivery becomes more normal in Canada, demand for Cargojet's services should rise. In addition, Cargojet is expanding its services internationally. That should help establish growth in new verticals. Today, the stock is trading below 13 times EBITDA. Considering growth should reaccelerate in 2022, now may be a great time to buy into this quality TSX stock.

CATEGORY

1. Coronavirus
2. Investing

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1. Editor's Choice

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CJT (Cargojet Inc.)
3. TSX:LSPD (Lightspeed Commerce)

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