



2 Top Canadian Stocks Ready for Sky-High Returns in 2021

Description

We saw plenty of high-flying tech stocks soar past the Canadian market's 3% return last year. Even though a global pandemic was present for most of 2020, we still saw many top companies impressively grow their market share.

Now, in 2021, I'd say there's a good chance that we'll see plenty of top Canadian stocks continue to stay hot. As vaccines continue to be distributed, we could experience a [stock market rally](#), as the country slowly re-opens throughout the year.

If you're looking for market-beating growth, there's no shortage of choices on the **TSX**. I've covered two [top Canadian stocks](#) that you'll seriously want to consider adding to your portfolio this year if you're looking to outperform the market.

Canadian stock #1: Dye & Durham

Dye & Durham ([TSX:DND](#)) has been a public company for less than a year, but shares are already up nearly 200%. In 2020 alone, the company surged just shy of 250%. That's not too bad considering the Canadian market was barely positive.

Shares of the \$3 billion company are trading at a rare discount today. Since joining the TSX in July 2020, the stock has done nothing but go up.

Year to date, though, shares are trading down about 10%. If you were looking to add this high-flying growth stock to your portfolio, now is an opportunistic time to do so.

At a price-to-sales (P/S) ratio above 30, even at a discounted price, shares of Dye & Durham are far from cheap. That's the price investors will need to pay if they're looking to own a Canadian stock that's grown 200% in less than a year.

I wouldn't bank on Dye & Durham to have a repeat performance in 2021. Annual growth of 200% is not exactly sustainable. But if you're a long-term investor with at least a five-year holding period, this is one Canadian stock that I could see not only soar in 2021 but continue to crush the market over the next five years.

Canadian stock #2: Absolute Software

Next on my list of high-flying tech stocks is **Absolute Software** ([TSX:ABST](#))([NASDAQ:ABST](#)).

The \$1 billion tech company might not be able to match the growth of the much-younger Dye & Durham, but shares are trading at a much more reasonable price.

In 2020, shares of Absolute Software were up nearly 70%. Over the past five years, growth is now nearing 200%.

Absolute Software may be trading at an all-time high today, but I don't think investors should be waiting for a dip in price to pick up shares. If that's your plan, you may be waiting for a while.

The attractive valuation of this Canadian stock is what has me ready to pick up shares today. In comparison to some of its peers, Absolute Software is extremely undervalued. The company trades today at a P/S ratio below 10.

That kind of valuation may not be getting any value investors on board, but for growth investors looking for a relatively inexpensive stock, this is one company you'll want to have on your radar.

Foolish bottom line

If you're looking for a high-flying growth stock that can drive market-beating returns, you're going to need to pay up. Both the Canadian stocks I've covered are far from cheap, but each of the company's track records speaks for itself.

If you can stomach the volatility and have a time horizon of at least five years, these are two Canadian stocks that are in a prime position to see market-beating growth continue this year.

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2. Tech Stocks

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1. TSX:ABST (Absolute Software)
2. TSX:DND (Dye & Durham Limited)

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