



Santa Claus Rally: 2 Discounted TSX Stocks That Are Ready to Rebound

Description

As 2020 winds down, investors can now look to turn the page on the year and start fresh in 2021. There's a lot that investors may want to forget about 2020. But even though a 35% crash occurred earlier this year, the Canadian market is still up year to date.

The COVID-19 market crash has been followed by an [incredible bull run](#). The **S&P/TSX Composite Index** has rallied more than 50% since the end of March. The market surged 10% in November alone, as positive vaccine news was released.

Santa Claus Rally: Where you should be investing

Tech companies were among the stocks that rebounded the strongest from the market crash earlier this year. It didn't take long to see the dependence on technology only increase, as Canadians did their best to cope with the pandemic. Not all industries saw the same type of swift turn around, though.

For investors looking to earn some gains during the stock market's Santa Claus Rally, I've covered two stocks that you'll want to add to your watch list.

Both companies have done a respectable job rebounding from their lows earlier this year. Even so, they're largely trailing the performance of the Canadian market over the past three- and six-month periods.

Santa Claus Rally stock #1: Sun Life Financial

The financial sector was one of the hardest hit during the pandemic. For long-term Foolish investors, it has created a very intriguing [buying opportunity](#) in the Canadian market today.

There's no questioning the importance of the banks and other financial services companies to the Canadian economy.

If you have the time horizon to hold for at least three years, **Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) is one stock you'll seriously want to consider adding to your portfolio.

The financial services company is the second-largest insurance provider in the country, behind only **Manulife**.

The \$30 billion company saw its share price nearly get cut in half during the market crash. It has since rebounded by running almost 50% since the beginning of April. The stock is still down roughly 5% year to date.

The pandemic has had a short-term impact on Sun Life's bottom line. But there's no reason to believe that the need for insurance or financial services is going anywhere in a post-COVID-19 economy.

Santa Claus Rally stock #2: Kinaxis

In general, tech stocks have rebounded very well from the crash earlier this year, but we've seen some companies run out of steam as of late.

Kinaxis ([TSX:KXS](#)) has enjoyed an extremely impressive year. The tech company managed to only drop about 15% during the COVID-19 market crash. It then went on to see its share price more than double over the next five months.

Since reaching an all-time high in early August, though, the stock is down nearly 25%. Still, the Kinaxis stock is up 65% since the beginning of the year.

The tech company specializes in developing cloud-based subscription software for customers across the globe. Its customers consist primarily of supply chain operation teams.

Not only does Kinaxis provide the software, but it also supports its customers with analytics capabilities to help with demand and supply planning, inventory management, and order fulfillment.

After seeing how the pandemic completely disrupted consumer shopping behaviour, it's no surprise to see Kinaxis benefit from a huge rise in demand for its software.

The tech stock is still only valued at a market cap of just \$5 billion, leaving plenty of room still to grow.

Long-term investors will want to take advantage of the recent cool off and add this tech stock to their portfolio before its back to trading at all-time highs.

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