



Market Crash 2021: 3 Top TSX Stocks that Should Be on Your Radar

Description

The market suffered one of its steepest crashes in years earlier this year. The COVID-19 pandemic caused the **S&P/TSX Composite Index** to drop a staggering 35% in just over one month.

Fast-forward to today and the market is actually up on the year. The previously mentioned index has rallied more than 50% since bottoming out at the end of March.

Now that a vaccine could potentially begin being distributed very soon, the market is full of optimism. Is there really a chance that we could be headed for another market crash in the near-term future?

Market crash 2021

Another market crash is ultimately inevitable. The more important question is *when exactly that crash will happen?* Although no one knows for sure, I'm banking that it will be sooner than many investors expect. It may not be another 35% drop, but even with a vaccine close to being distributed, there is still lots of uncertainty in the economy today. Not to mention, a bull run like this cannot last forever.

A vaccine is definitely positive news for the economy, but there is a lot of optimism priced into the stock market right now. The Canadian market rallied more than 10% in November alone, primarily due to the positive vaccine news.

My worry about the stock market's valuation today is that any sort of negative news surrounding the vaccine could send the market spiralling. Many investors are banking on the fact that the vaccine will send us right back to where we were at the beginning of 2020. The reality may be much different than that, though.

Whether or not we're [faced with another crash in 2021](#), a pullback at some point is surely going to happen. With that in mind, you'll want to have an updated watch list of top **TSX** stocks.

Shopify

After trading places back and forth throughout the year with **Royal Bank of Canada**, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is Canada's largest company at today's valuation.

Shopify has put up back-to-back quarters of monster growth. The tech company drove just shy of 100% revenue growth over the last two quarters. As a result, the share price is up about 150% since the beginning of the year.

Valuation is high today, so investors should be wary of the very likely volatility in the short-term. The stock trades at an extremely frothy price-to-sales ratio of 65.

Cargojet

Air Canada and the rest of the travel industry have received all kinds of media attention throughout the pandemic, both bullish and bearish. [Airline stocks](#) have understandably taken a beating as the majority of air travel came to an abrupt halt earlier this year.

Not all travel-related companies have been a bust this year, though. **Cargojet** ([TSX:CJT](#)) has seen its share price double since the beginning of the year. And for investors who were brave enough to add shares when the market bottomed out at the end of March, you'd be sitting on gains of close to 200%.

The air cargo services company specializes in providing time-sensitive and overnight shipments to cities across North America. The company experienced a drop in demand within its business-to-business division earlier this year, but that was easily offset by the rapid rise in consumer shipments.

Bank of Nova Scotia

Airline stocks clearly have not fared well this year, but bank stocks aren't far behind. Fortunately for the banks and their investors, November was an exceptionally strong month. Most of the Canadian banks rallied 15% and more.

Bank of Nova Scotia ([TSX:BNS](#))([NYSE:BNS](#)), Canada's third-largest bank, is the bank that I have my eye on. The bank differs from the other major banks in its geographic footprint. Most of the Canadian banks have a U.S. presence. Where Nova Scotia differs is by having an exceptionally strong presence in Latin America.

Foolish bottom line

No one can predict when the next market crash will occur, but it's never a bad idea to be prepared for one. Next time the market does decide to dip, you'll want to have some cash ready to invest in one of these three stocks.

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2. NYSE:SHOP (Shopify Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:CJT (Cargojet Inc.)
5. TSX:SHOP (Shopify Inc.)

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Date

2025/07/21

Date Created

2020/12/15

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