



The 3 Best +\$100 Stocks to Own Now

Description

A quick screen of TSX stocks with a market cap of \$500 million or more produces a list of 335. Just 17 stocks have a share price of \$100 or higher.

In June 2016, I [wrote](#) about 14 stocks that were trading above \$100. A little more than a year later, on average, they're up 9.1% — 54 basis points better than the TSX Composite Index.

While the difference in the one-year numbers might not seem that significant, extend this over a 10-year period, and it becomes a huge deal.

Stocks that trade over \$100 do so because they continue to generate positive earnings. **Berkshire Hathaway Inc.** Class A shares are US\$273,470 because they've never split, they don't pay a dividend, and, most importantly, the company behind the shares continues to grow earnings.

It's a simple concept.

Now, more than a year later, I'm going to pick the three stocks I believe are the best bets over \$100. Will **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) make the cut?

Third pick: Economic Investment Trust

One of the 17 names on the list of stocks over \$100 is **EL Financial Corporation Ltd.** ([TSX:ELF](#)), the holding company behind Empire Life, an insurance company with 445,000 customers across Canada generating \$1.4 billion in annual revenue.

Rather than buy EL Financial, I suggest you consider **Economic Investment Trust Limited** ([TSX:EVT](#)), a related closed-end fund that got its start all the way back in 1927. Its shares generally trade at a discount of between 15% and 40% of its net asset value.

Of the \$894 million in investments held at the end of June, 43.6% was invested in EL Financial stock. Another 4.3% in **Algoma Central Corporation**, 6.5% in **Bank of Nova Scotia**, with the remainder in 40-60 mid- to large-cap stocks.

Patience has delivered for investors for almost 100 years.

Second pick: Dollarama

The discount retailer is easily the most profitable retailer trading on the TSX. So, despite the fact I didn't name **Dollarama Inc.** ([TSX:DOL](#)) as the [best](#) Canadian retail stock to own over the next 10 years, I do think it's the best option over \$100.

Ever since Dollarama started accepting credit cards at its stores and pushed the high end of its price point to \$4, the stock has been on a tear.

"Chief financial officer Michael Ross told analysts on a conference call that average checkouts at the till with a credit card are already running more than twice the average basket size at the till for a cash transaction," wrote the *Financial Post's* Hollie Shaw September 7. "In the meantime, its newer \$4 items appear to be just as popular with customers as lower-priced goods, according to industry analysts."

Fool.ca contributor Jacob Donnelly doesn't like its \$1.4 billion in [long-term debt](#), but when you consider that it's generating almost \$450 million in annual free cash flow, it's got plenty to pay it down over the next three to four years.

A \$200 share price is not unrealistic.

First pick: Shopify

Was there any doubt?

Shopify is one of those rare success stories that comes along every once in a while, where you simply marvel at how fast it's grown, and yet, you can't help but think that its best days are still ahead of it.

If small- and medium-sized business (SMBs) is the lifeblood of the North American economy, then Shopify is the lifeblood of SMBs.

Fool.ca contributor David Jagielski recently asked whether Shopify was Canada's version of **Amazon.com, Inc.**

"Shopify is the type of investment where your brain and your heart just can't agree," [wrote](#) Jagielski. "From a logical point of view, the stock continues to defy sound investing principles as people are buying into the company's future growth and willing to ignore the potential risks involved."

Now, in Jagielski's case, he's not making the comparison in a flattering way. He believes Amazon is going to eat Shopify's lunch. The truth is, Amazon and Shopify have a vested interest in working together to capture the SMB marketplace. They're not the rivals you might think.

Bottom line, I like to view trends with my own eyes.

Here in Toronto, I order a weekly vegetarian meal plan through Green Zebra Kitchens. Right there on the bottom of the shopping cart are the words “Powered by Shopify.”

If you can only buy one \$100 stock, Shopify is it.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:DOL (Dollarama Inc.)
3. TSX:ELF (E-L Financial Corporation Limited)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Msn
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