



3 Sectors That Are Outperforming the Market So Far in 2018

Description

Most of the broader averages have found themselves in the red to start 2018, but that doesn't mean there aren't pockets of the market that have been outperforming.

Let's take a closer look at a couple of the more positive surprises so far in 2018.

Energy stocks are outperforming

Several exchange-traded funds focused on the energy sector are outperforming to start 2018, which probably shouldn't come as much of a surprise given that West Texas Intermediate Crude, the benchmark price for oil in the United States, has gained more than 24% since mid-October.

That's good news for exploration and production companies like **Baytex Energy Corp.** ([TSX:BTE](#))([NYSE:BTE](#)), which has seen its shares sky rocket more than 18% since the second week of February. **Crescent Point Energy Corp.** ([TSX:CPG](#))([NYSE:CPG](#)) shares were up over 9% in last week's trading alone.

But, in an encouraging sign, integrated producers have [performed well as of late](#) also.

Shares in Canada's largest energy company, **Suncor Energy Inc.** ([TSX:SU](#))([NYSE:SU](#)) are up 15% since the start of March, while **Cenovus Energy Inc.** ([TSX:CVE](#))([NYSE:CVE](#)) has also done well, up 31% since March 1.

Internet and e-commerce are also booming

It should come as no surprise by now that the internet and e-commerce aren't going anywhere.

The disruptive force that is **Amazon.com, Inc.** ([NASDAQ:AMZN](#)) has forced the hand of traditional brick-and-mortar retailers, causing them to completely re-think their business models.

Some companies have responded in kind and been successful, like, for example, **Best Buy Co Inc.** ([NYSE:BBY](#)), while others, like **GNC Holdings Inc.** ([NYSE:GNC](#)) haven't fared nearly as well.

Meanwhile, internet technology companies, such as **Tucows Inc.** ([TSX:TC](#))([NASDAQ:TCX](#)), **Godaddy Inc.** ([NYSE:GDDY](#)), and **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) have found their own form of success in meeting the growing needs of online retailers.

Tucows and Godaddy operate as domain name registrants, meaning they organize the buying and selling of domain names like fool.ca or amazon.com.

Essentially, these companies act almost as real estate agents, facilitating the buying and selling of online or "virtual" space.

Shopify, however, helps small- and medium-sized business owners make the transition to opening their own online store front.

All three companies have experienced tremendous sales growth in recent years — Shopify in particular, which has seen its sales triple over the past two years.

Artificial intelligence could turn out to be the next big thing

You'll find commentary on the future of artificial intelligence (AI) all over the news and in trade journals these days, as many experts and pundits expect that AI could potentially become a revolutionary technology with the potential to transform the very existence of our planet as we know it.

Multi-billion dollar tech behemoths, like **Tesla Inc.** ([NASDAQ:TSLA](#)), **Facebook, Inc.** ([NASDAQ:FB](#)), and **Alphabet Inc.** ([NASDAQ:GOOGL](#))([NASDAQ:GOOG](#)) are each dedicating hundreds of millions of dollars to expensive research and development in a race to see who will become the new champion of the AI revolution.

As the saying goes, "if you can't beat 'em, join 'em." If AI turns out to be [as big as some are saying it could be](#), it's probably a wise move to get in on this market while it's still early.

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