



## 5 Examples of What to Look for in the Perfect Stock

### Description

Okay, so maybe there is no such thing as the “perfect” stock, but there are certainly some companies that enjoy distinct and sustainable advantages over their competition.

A winning investment strategy is one that sees you buy great, high-quality companies and hold those companies forever — or at least for a very long time.

Be on the lookout for these five qualities next time you’re making an investment, and with a little bit of luck, you might just find yourself the owner of something truly great — like, for example, the next **Amazon.com, Inc.** ([NASDAQ:AMZN](#)).

#### Look for a growing industry

Amazon.com would have been the quintessential example of this, 20-some odd years ago.

A more modern example, however, could be found right in your backyard with the likes of Canada’s homegrown e-commerce disruptor, **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Another example of a seemingly “can’t-miss” growth industry would be the emerging market for marijuana in Canada — for recreational as well as for [medicinal purposes](#) — and in several nascent international markets.

Some of the “who’s who” in Canada’s cannabis market include the likes of **Canopy Growth Corp.** ([TSX:WEED](#))([NYSE:CGC](#)), **Aurora Cannabis Inc.** ([TSX:ACB](#)), **Aphria Inc.** ([TSX:APH](#)), and **Cronos Group Inc.** ([TSX:CRON](#))([NASDAQ:CRON](#)), [among others](#).

#### A company offering a superior product

At the risk of repeating myself, Amazon.com jumps to mind here once again.

Countless individuals and companies have invested millions — if not billions — of dollars to develop a winning e-commerce strategy, yet Amazon stands out as the clear winner, at least so far.

Companies offering products and services that are superior to the competition get the luxury of charging a premium for those products and services.

That premium ends up going straight to the bottom line, and that's what makes these companies so great.

### Going with the cost leader

This type of company or stock is going to be a favourite of those following a value investing style.

Companies like **Walmart Inc.** ([NYSE:WMT](#)), **Bank of America Corp.** ([NYSE:BAC](#)), and even **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) enjoy the benefits of scale, allowing them to deliver products to their customers at a cost that their competitors simply aren't able to match.

### Loyalty is everything

Having loyal customers is great, because they'll be willing to look the other way when something goes wrong — and it always does.

Just look at the patience **Tesla Inc.** ([NASDAQ:TSLA](#)) customers have demonstrated amid the company's recent struggles, and ask yourself how things would be different if that weren't the case.

### Opportunity to tap into new opportunities and markets

Then there are the truly iconic companies — ones that have stood the test of time; companies that were around when your grandparents were growing up.

**General Electric Company** ([NYSE:GE](#)), despite its recent woes, is one of these legendary companies.

But while there are certainly questions as to whether General Electric will be around another hundred years from now, those with a view to the future may want to pay attention to the investments that some of today's technology leaders like **Alphabet Inc.** ([NASDAQ:GOOGL](#))([NASDAQ:GOOG](#)) and **Microsoft Corporation** ([NASDAQ:MSFT](#)) having been making in initiatives like artificial intelligence.

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### TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NASDAQ:CGC (Canopy Growth)

3. NASDAQ:CRON (Cronos Group)
4. NASDAQ:GOOG (Alphabet)
5. NASDAQ:GOOGL (Alphabet Inc.)
6. NASDAQ:MSFT (Microsoft Corporation)
7. NASDAQ:TSLA (Tesla Inc.)
8. NYSE:BAC (Bank of America)
9. NYSE:GE (General Electric Company)
10. NYSE:RY (Royal Bank of Canada)
11. NYSE:SHOP (Shopify Inc.)
12. NYSE:WMT (Wal-Mart Stores Inc.)
13. TSX:ACB (Aurora Cannabis)
14. TSX:CRON (Cronos Group)
15. TSX:RY (Royal Bank of Canada)
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17. TSX:WEED (Canopy Growth)

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