3 Red-Hot Stocks to Ride Into 2020

Description

There are a lot of stocks that have been trading down lately. The incoming recession has hit the markets a few times, creating dips that recover only to dip back down again. In fact, analysts believe we are still waiting for the major recession to hit, but that it won't be as bad as the crash seen back in 2009.

Part of the way we can tell it shouldn't be as bad is by looking at the few stocks that seem to still be going strong, even while the markets are down. In fact, there are a few that have been on a tear in the last few months that investors are wondering whether they should continue to pick up. So, if you have these stocks, I would definitely hold on.

Air Canada

Shares of **Air Canada** (TSX:AC)(TSX:AC.B) have almost doubled in the last year, with analysts maintaining the stock will rise to $50 per share by the end of the year. As of now, the stock trades at about $44 per share, so a $50-per-share mark would be a potential upside of about 14% as of writing.

Part of this recent jump comes from Air Canada's acquisition of **Transat A.T.**, where 95% of shareholders recently approved the acquisition. Now comes the actual combination of both companies, and once that's underway, shareholders should see some great boosts as Air Canada picks up Transat's business and flights.

But beyond the merger, Air Canada has been making its airline more efficient. In fact, the company recently reported its cost for available seat mile was up 5.2%, while its revenue per available seat mile was up 8.1%, showing that flight to efficiency seems to be working. With a more efficient fleet of airplanes and cheaper options for travellers, with most of the cost behind both now over and done with, this stock should continue to soar into next year.

Lightspeed

Another company on the rise is **Lightspeed POS** ([TSX:LSPD](#)), which can boast the biggest initial public offering (IPO) of 2019 on Canadian markets at $240 million, and the biggest in the tech industry in the last nine years. Since its IPO in March, the stock has grown 133% as of writing, with analysts predicting the stock to continue its steady rise.

This comes from the company taking advantage of the strength of the point-of-sale (POS) system, where small- and medium-sized businesses mainly in the retail and restaurant industries have flocked to Lightspeed. The company offers an easy method to make payments, while also producing built-in analytics and supply chain management to improve business production.

The company has seen an increase in recurring revenue from its last two post-IPO quarters, most recently reporting 36% year-over-year revenue growth. Given that POS is still a new and growing industry, Lightspeed has a solid place in an industry that has plenty of room to grow, with analysts predicting it to rise as high as $60 per share in the next 12 months.

Shopify

Then, of course, there's **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which has defied all the odds and continues to produce stellar results that have seen this stock more than double its fair-value share price. The stock trades at about $530 per share, a year-to-date increase of 183%, and 1,400% since its IPO as of writing.

A lot of this comes from the company constantly surpassing both analyst and its own expectations in terms of recurring revenue growth. The company recently reported 48% year-over-year increases in revenue, and upped its 2019 performance to expect between $1.46 billion to $1.48 billion in revenue.

As Shopify continues to add products that add larger clients, grow its operations, and make it easier for its clients and customers, Shopify shareholders should continue to see this stock rise for the long term.

CATEGORY

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3. TSX:LSPD (Lightspeed Commerce)
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