



3 Wealth-Making Growth Stocks in 2019

Description

Growth stocks can deliver remarkable returns for your portfolio, as the following stocks show.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has been on a tear! The [exemplary growth stock](#) is still 150% higher year to date, despite correcting about 11%.



SHOP data by YCharts. Shopify stock's year-to-date chart.

This month, Shopify announced that it was acquiring 6 River Systems, which is a leading provider of collaborative warehouse fulfillment solutions and will be an excellent fit for the company.

In June, recall that Shopify provided U.S. merchants early access to its fulfillment network that uses machine learning to ensure timely deliveries and lower shipping costs.

The concern always goes back to Shopify's sky-high valuation. The growth stock trades at 29 times sales, 638 times cash flow, and 18 times book. The recent correction has investors wondering if it is just the beginning.

Shopify isn't the only high-growth stock that has declined lately. So, it could be an act of profit taking and rotation of money out of high-growth names to value names.

Maxar

Maxar Technologies ([TSX:MAXR](#))([NYSE:MAXR](#)) is a different type of beast than Shopify. It's a turnaround play.

Year to date, MAXR stock is down 22%. And it's down a whopping 70% from a year ago. However, the recent price action suggests that it may have bottomed.



MAXR data by YCharts. Maxar's six-month stock price chart.

Maxar stock has appreciated an incredible 80% in the last six months. If it breaks above the 50-day moving average, which currently sits at \$13.15 and isn't far off from the current quotation of \$12.72, it could experience another round of rally.

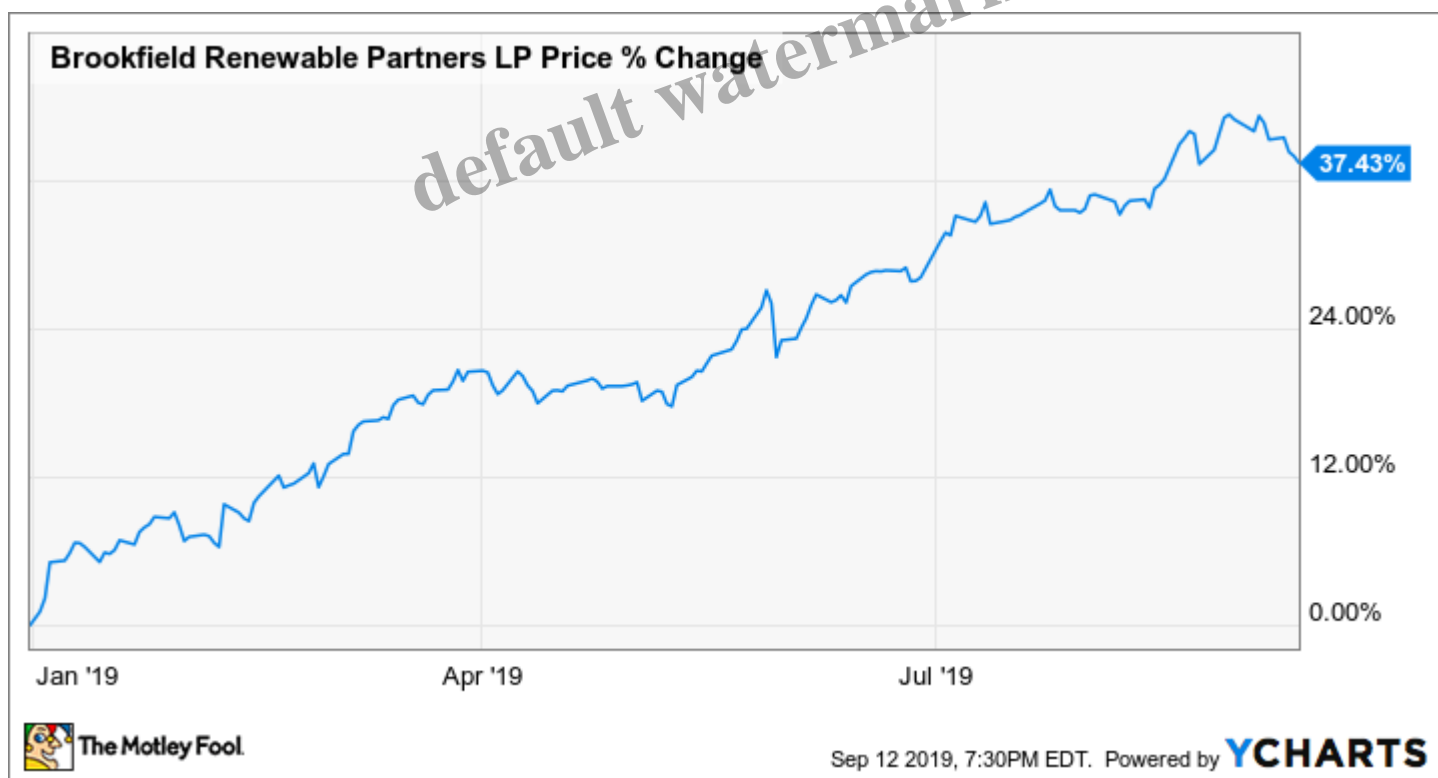
On one hand, the space technology company has lots of work to do after massive M&A activities damaged its balance sheet and stacked up its debt levels to a frightening size.

Specifically, its debt-to-equity ratio jumped from 2015 year end's 2.3 times to the last reported quarter's six times. Its long-term debt hasn't budged but increased by 6% to US\$3.2 billion since the end of 2017.

On the other hand, Maxar is obviously skilled and knowledgeable, as it was awarded multiple key projects in the last two months, signing contracts with big clients, such as the U.S. government and the Canadian Space Agency.

Brookfield Renewable Partners

Brookfield Renewable Partners ([TSX:BEP.UN](#))([NYSE:BEP](#)) stock performed amazingly well, having appreciated 37% year to date while offering a juicy dividend.



BEP.UN data by YCharts. BEP's year-to-date stock price chart.

The outperformance so far this year was due in part to the underperformance last year that saw the stock fall 19% in 2018.

BEP owns and operates a large renewable power platform, consisting of more than 17,500 MW of capacity. It has 882 power-generating facilities in 10 countries across North America, South America,

Europe, and Asia. And its portfolio will continue to grow, riding on the secular growth trend towards renewable energy and away from fossil fuel.

The company aims for long-term total returns of 12-15% per year while increasing its cash distribution by 5-9% per year through organic growth and project development. And the income stock is good for a yield of 5.3% right now.

Foolish takeaway

I see massive growth potential in all three stocks, but they are not without risks. Shopify is as expensive as always, Maxar is a turnaround play that still has humongous debt to pay off, and Brookfield Renewable has run up a lot in the last year.

Out of the three, BEP will likely be [the best bet for wealth creation in 2020](#), especially if it experiences any meaningful corrections from now to mid-2020.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:MAXR (Maxar Technologies)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing
4. Tech Stocks

Date

2025/08/02

Date Created

2019/09/13

Author
kayng

default watermark

default watermark