



2 All-Star Stocks to Buy for Major Growth in 2020

Description

Going into 2020, and as we start a new decade, now is the perfect time to look at your portfolio makeup and see what you like and what needs to be changed.

Reviewing your core stocks, defensive stocks, income stocks, and growth stocks will all be key, as well as making sure you have adequate diversification and a considerable amount of cash on hand in case any opportunities come up.

Once you have your key portion of the portfolio set, you are going to want to add some high-potential stocks for the coming year, or all-stars, as I like to call them.

These stocks are all well-run companies that are due for a big upswing in 2020 and can drive the growth in your portfolio in the coming year.

Two all-stars at the top of my buy list for 2020 are **Great Canadian Gaming** (TSX:GC) and **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)).

Great Canadian

Great Canadian is one of the top growth stocks in Canada. While its stock trades at a 17 times its price-to-earnings ratio, which isn't super cheap but not expensive either, it becomes a clear winner when you consider its incredible long-term potential.

Great Canadian has had its new portfolio of casinos for just over a year now, and the company continues to find new efficiencies and higher profits from its existing locations.

By investing in renovations and bringing more table games to its casinos, Great Canadian is aiming to get more traffic in its doors as well as more spending per patron, which will help to grow its business.

It's also looking at improving its ancillary businesses too such as food and drink in its casinos, which also gets the patrons to spend more money as well as spending more time in the casinos.

So far, these updates have been impressive and led to an 18% increase in its revenue in just the first nine months of the year.

In addition to the renovations, it's also adding more casinos to its portfolio, which should also bring major growth for its business down the line.

It doesn't pay a dividend, as it's currently investing the majority of its cash to build new casinos or develop old ones to improve the profitability and grow its margins. This should lead to some [major growth](#) over the next few years, which is what makes Great Canadian such an attractive investment today.

Vermilion Energy

Vermilion is a high-potential energy stock that tends to scare some investors off because of its massive 14% dividend. Although the dividend is large and the market clearly thinks it may need to be trimmed, Vermilion has yet to do so, as its dividend is just barely above a 100% payout ratio.

Plus, Vermilion has been improving its operations considerably, so the company may end up generating enough to sustain that massive dividend, even before a cut is necessary, which would reward shareholders massively who gain exposure now.

What makes Vermilion such a compelling investment, especially for Canadian investors who have had their Western Canadian energy stocks decimated, is that Vermilion is a global producer of both oil and natural gas, with operations in Canada, the United States, Europe, and Australia.

The wide diversification not only gives it access to many markets around the world to sell its product, but it also exposes it to different pricing, which helps to insulate its cash flows and stabilize the business as a whole.

It's return on equity over the trailing 12 months is now nearly 15% — the highest its been since before the oil crash — so it's clear that Vermilion has gotten back on track.

With its huge dividend and its high-quality global operations, Vermilion may have the most potential on the market and could play a major role in your portfolio in 2020.

Bottom line

Both these stocks have some of the best potential going into 2020, but I wouldn't wait long to gain some exposure, as they will be two of the most sought-after stocks in the new year.

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Date

2025/07/02

Date Created

2019/12/18

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