New Investors Shouldn’t Wait to Buy Into Growth Stocks

Description

As leading stock market pundit Jim Cramer says, “When you have some certainty you get a nice rally.” It’s true that uncertainty is like kryptonite for investors. One thing that happens when uncertainty is reduced, though, is that gold tends to recede, and that doesn’t seem to be happening to a significant extent at the moment, as precious metals wait at a crossroads for the lights to change.

Go for growth rather than wait for weakness

Investors can either wait and see how 2020 pans out, or buy a diversified all-rounder. Value investing is one thing, but missing out on predicted upside is another. That’s why it might be better to invest in growth areas when it comes to certain commodities, rather than wait for the dip.

Of particular interest to the rising cohort of investors will be the green economy. Building out of the “ethical investment” space, the green economy is high growth and takes in such global trends as alternative protein and the renewable energy sector. Both investment themes are defensive, with food and electricity generation being a solid foundation for any new stock portfolio.

Young investors will inherit some key growth areas in the new decade, with some characteristic themes of the new generation also packing steep upside potential. Stocks such as **Northland Power**, **Algonquin Power and Utilities**, **Beyond Meat**, **Restaurant Brands**, **Tesla**, and **Lundin Mining** (TSX:LUN) all offer ways for new ethical investors to cash in while staying within the protective bubble of blue-chip companies.

IPOs that could see the light of day at the start of the new decade include such hopefuls as GFL Environmental, the fourth-largest recycling and waste management business in North America, and Heliogen, an alternative power company backed by such luminaries as Bill Gates. GFL put the brakes on debuting this year, but which could be popular if it did make the decision to go public in the ’20s.

Lundin Mining is an especially strong play since it offers upside from the growth trend of electric vehicles, or EVs. With a growing number of auto makers getting in EVs, the industry will likely drive prices of battery components through the roof. Elon Musk has expressed concern that rising metal prices could constrain the electric car industry, with the logical conclusion being increased mining activity.

Paying a 1.5% yielding dividend, Lundin offers passive income to new investors on top of that steep upside potential. It's not just diversified across metals, with operations in Brazil, Chile, Portugal, and Sweden, which further spreads the risk of adding Lundin to a long-term dividend stock portfolio.

The bottom line

Lundin is cheap, and yet its potential to break out next year is vast. With access to high growth in the electric vehicle space as well as the green economy in general, Lundin's spread of gold, zinc, nickel, and copper provides stockholders with a range of industry exposure. This diversified miner is also a play on both sides of uncertainty, with its gold assets providing some key wealth-hiding safety.

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