



3 Best Investments for 2020, Including 2 Stocks

Description

Start off the new year by making three best investments, including two types of stocks.

Your credit cards

You may be scratching your head right about now. Why would credit cards be your best investment?

Let me explain.

Credit cards are convenient; you don't have to carry as much cash around, which is a hassle if you're buying big-purchase items in-store.

More importantly, credit cards give you a grace period in which you can pay back how much you owe on the cards without having to pay any interest.

However, in order for the cards to be a great investment, you must pay off your balance every month so that the credit card companies can't charge you interests.

Why?

Interest rates on credit cards are outrageous! For example, my Tangerine credit card has an interest rate of 19.95%. By paying the balance off every month, it's as though I earn a 19.95% return.

You'd be hailed as one of the best investors in the world if you can consistently generate total returns of 20% per year on your investments.

Credit cards are an expensive type of debt! So, be sure to pay them off as soon as possible. If you have excess cash left after paying off your balance, go for dividend stocks or growth stocks.

Dividend stocks

Dividend stocks backed by quality businesses and are trading at good valuations are always great long-term investments. One such dividend stock that I recently added to and is also [my top stock for 2020](#) is **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)).

There are multiple positive catalysts for Pembina. First, the firm closed the acquisition of Kinder Morgan Canada and the U.S. portion of the Cochin Pipeline early.

Initially, the transaction was meant to close in the first half of 2020, but it was completed in mid-December 2019.

Second, as promised, the company will be increasing its monthly dividend by 5% after the acquisition closes. Investors still have time to grab the stock over the next three weeks or so for the first dibs of the richer dividend. The monthly dividend of \$0.21 per share represents a juicy forward yield of nearly 5.2%.

Third, Pembina stock has been consolidating for most of 2019. As the stock is undervalued, the longer it consolidates, the greater the upside movement will be when it occurs.

This is a stock that pays you handsomely to wait. Moreover, Pembina's track record proves that it tends to underpromise and overperform.

This is reflected in its total returns that is one of the best among its peers as well as beating the market returns. Specifically, since 2007, Pembina stock has been more than a four-bagger, delivering total returns of 12.3% per year on average.

Growth stocks

Remember to sprinkle your portfolio with [growth stocks](#), too. They can boost your returns immensely!

Alimentation Couche-Tard, **Brookfield Asset Management**, and **OpenText** can deliver double-digit total returns over the long run. But don't just stick with growth stocks that are available on the TSX.

For instance, **Amazon**, **Alibaba**, and **Alphabet** have excellent prospects as well.

If I had to buy only one of these growth stocks today, it'd be Amazon, as it offers the best value of the bunch.

CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners
4. Tech Stocks

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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Date

2025/07/31

Date Created

2019/12/29

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