



1 Growth Stock That Will Electrify Your TFSA This Decade

Description

In late 2018, I'd suggested that **Stars Group** (TSX:TSGI)(NASDAQ:TSG) was a stock that was [poised for big growth](#) in the coming years. The company had reason to celebrate after the United States Supreme Court struck down a federal ban on sports betting in May 2018. Stars Group praised the decision in a press release, and in the months that followed it has been aggressive in positioning itself in this blossoming industry.

Today, I want to explore two key reasons Stars Group is well worth holding in your TFSA at the beginning of this decade. Shares of Stars Group have climbed 26% over the past three months as of close on January 22. However, the stock has dipped 3.3% in 2020 so far.

The rise of legal sports gambling in the United States

This development has been the key draw for Stars Group as an investment since the landmark 2018 decision. However, legalized sports gambling is not something that has become a reality overnight. The basis for a federal framework has largely been rejected, so it has been left up to individual states to push for legal sports betting. Some of the first states to legalize sports betting were New Jersey, Pennsylvania, and West Virginia.

Stars Group has already established a presence in New Jersey and Pennsylvania. It partnered with FOX Sports to launch its FOX Bet platform, gaining access to a much broader consumer base nationwide.

In late 2019, the Ireland-based betting giant Flutter Entertainment agreed to merge with Stars Group. This all-stock deal will create one of the largest online betting and gaming companies in the world. The deal will give Stars Group even greater access to international and U.S. markets, as it continues its big push south of the border.

The U.S. sports betting market is expected to generate roughly \$7 billion in value by 2025, according to analysis by investment firm **Morgan Stanley**. Stars Group is well positioned to take advantage of this mouth-watering market.

Migration to online platforms

Over the course of the 2010s, the explosion of e-commerce was a huge story in the retail sector. It [powered the rise](#) of new technology companies like **Shopify** and has buried some of the oldest retailers in existence. This phenomenon is not just present in the retail sector. The rise of online gambling is also shaking up the gaming industry.

A recent report from the firm Market Insights projected that the online gambling market will reach a value of US\$87.75 billion by the year 2024. This would represent a CAGR of 8.77% from the forecast period stretching from 2019 to 2024. The positive trends in online gambling, combined with legal sports betting, mean that Stars Group is holding a strong hand to start this decade.

Stars Group's stock value today

Shares of Stars Group have increased 36% year over year as of close on January 22. Investors can expect to see its fourth-quarter and full-year results for 2019 in early March. The stock spent much of late 2019 in technically overbought territory, but its RSI has fallen below 50 and now sits at neutral levels. Value investors should consider pulling the trigger, as we look ahead to February.

CATEGORY

1. Investing
2. Tech Stocks

PARTNER-FEEDS

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

Category

1. Investing
2. Tech Stocks

Date

2025/09/09

Date Created

2020/01/25

Author

aocallaghan

default watermark