



## The New Stock Trends That Could Make Investors Rich

### Description

It's easy to look at the headlines and see which stocks are performing the strongest. But the problem is that by the time you've heard of it, a stock has already lost its momentum. Hot stock headlines and breakout hot takes only tell an investor which rockets have just left the atmosphere. That's why growth investors are always on the lookout for the next overlooked name with sudden upside potential.

### Getting in on the next big thing

There's only one reason why anybody should buy stocks: to improve quality of life. If you're not making money, then why buy equities? The key here is to learn how to spot a trend. There are several growth trends already [generating sustainable momentum](#). Most of them are generated by socially progressive thematics, such as renewable energy, alternative protein, and electric vehicles.

These are big-world themes. But there are also more granular trends. Look at how **Air Canada** is quietly switching over to cargo-only flights. Could it catch some reflected upside from **Cargojet**? Or look at **Docebo**, an AI-powered business which has found itself suddenly popular in a socially distanced market.

Investors clearly have to [balance risk and reward](#) in the current market. Financial horizons also play a part in how one manages one's strategy during the pandemic. Consider Warren Buffett's eschewing of airline stocks earlier this year. It may take years for the aerospace sector to recover. This could count it out for investors with narrower horizons, such as retirees. But a super-long-term shareholder could see certain core businesses rally down the years.

### 2020's trends could run for years

Canadian investors should be prepared for social-distancing measures to remain in place to a certain degree, even after a full reopening. Indeed, a full reopening might never happen. Even a market backstop like a vaccine could only be partially effective and would likely be seasonal. Simply put, COVID-19 could just be part of life from now on.

This means that the trends investors are seeing now could actually be less ephemeral than they look. Automated supply chains were already gaining in popularity. But in a post-pandemic world that has absorbed and learned to live with the coronavirus, names like **Kinaxis** could be evergreen. Whether they continue to grow is another matter, though, as a saturation point must logically be reached eventually.

But there is technically no end to growth in system efficiency. Also, the world could be profoundly reordered if the U.S. dollar hegemony shifts to other parts of the globe. Names like **Descartes Systems Group**, already strongly geographically diversified, is well placed to capitalize on a decentralized global economy.

Emerging economies are also likely to fuel growth in precision agriculture. Names like **Nutrien** could prosper as a result. Indeed, with 20% of the world's market share in potash production, Nutrien is a powerful consumer staples play. It also rewards shareholders with a 5% dividend yield. Adding this name to stocks like Kinaxis and Cargojet would make for a high-powered mix of growth and variety.

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