



Where to Invest \$1,000 Amid the Recent Stock Market Correction

Description

Stock markets turned volatile recently, as the tech sector exhibited surprising weakness. **TSX** stocks at large took a breather from their upward march and lost approximately 4% since last week. Interestingly, this interim weakness should be seen as an opportunity for long-term investors.

Let's discuss two Canadian bigwigs that offer solid growth prospects despite the recent selloff.

Barrick Gold to play the gold rally

Barrick Gold ([TSX:ABX](#))(NYSE:GOLD), the world's second-biggest gold mining company, is my top pick in these uncertain times. Barrick Gold stock was fairly strong in the recent selloff and continued to trade close to its all-time highs.

This yellow metal behemoth is a solid investment proposition for a number of reasons. Its high-quality mines and operations efficiency set it apart from peers. [Higher production](#) amid rising gold prices has notably boosted its bottom line for the last few quarters.

Interestingly, a bullish outlook for gold underlines Barrick Gold's growth story. Warren Buffett-led **Berkshire Hathaway** bought 21 million shares of Barrick Gold during the second quarter. As global central banks are printing more and more money, and interest rates are close to zero, Buffett's actions hint that the yellow metal has a long way to go.

Barrick Gold's improving debt profile is another plus for investors. The \$83 billion miner had sold its less-efficient mines and repaid billion dollars of debt in the last few years. Mining is a capital-intensive business, and Barrick Gold's race towards becoming a zero net-debt company is indeed noteworthy.

Though Barrick Gold stock looks expensive at the moment, I think it justifies the current premium valuation. The miner is a better stock to play the gold rally.

Shopify amid the recent stock market selloff

The tech giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has fallen almost 20% so far this month. Investors should note that a further correction in Shopify stock cannot be totally ruled out given the steep rally and inflated valuation. However, as earlier stated, this correction is an opportunity to buy this epic growth story at a discounted price.

Shopify seems to be doing all the right things this year. While the pandemic has forced many businesses to close down, Shopify is possibly the biggest winner of it. The stay-at-home culture has stressed the need for small- and medium-scale businesses to go digital. Thus, this \$150 billion tech giant has seen a tremendous surge in demand for its platform this year.

Interestingly, the pandemic will have a prolonged impact on consumer behaviour, which will likely benefit Shopify. E-commerce is already one of the fastest-growing industries across the globe. Shopify still has a small share in this vast, booming market. Shopify estimates its total addressable market worth \$78 billion, with 47 million small and medium businesses worldwide. Its current annual sales of nearly \$2 billion and around million merchants at the moment indicate huge growth potential for Shopify.

Investors should note that the recent weakness is just a market noise, and it does not change [Shopify's growth prospects](#). For long-term investors, it only means it's a better deal than it was a few months ago.

CATEGORY

1. Coronavirus
2. Investing
3. Metals and Mining Stocks
4. Stocks for Beginners
5. Tech Stocks

TICKERS GLOBAL

1. NYSE:B (Barrick Mining)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:ABX (Barrick Mining)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

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

Category

1. Coronavirus
2. Investing
3. Metals and Mining Stocks
4. Stocks for Beginners
5. Tech Stocks

Date

2025/07/03

Date Created

2020/09/11

Author

vinitkularni20

default watermark

default watermark