



Less Than 1 Year Into the New Bull Run: Buy These Stocks Before 2021

Description

From 2010 to 2020, the stock markets saw an incredible bull run. Over this time, many companies emerged as new industry leaders including **Amazon**, **Apple**, and **Facebook**. For a brief moment in March, the stock markets plunged into bear territory, officially marking the end of a historic 10-year bull run.

In April, the unexpected happened. The markets started to recover, and a [new bull run began](#). New companies are emerging as leaders and a handful have more than doubled since hitting their lowest points this year. In this article, I will discuss two companies that appear to be emerging as stocks that investors need to hold moving into the new decade. Buying into these companies as early as possible can lead to tremendous gains.

Move over smartphones, e-commerce is the new wave

During the previous bull run, smartphones were the biggest trend that swept the world. Companies such as Apple and **Samsung** went head to head to gain market share. As a result, their stocks went through the roof, and early investors were rewarded immensely. For the next bull run, it seems as though investors are focused on the e-commerce industry. Because of this, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) are two stocks that all investors should hold in their portfolio.

Since the outset of the pandemic, e-commerce-enabling companies have been leaned on heavily by consumers. This was fueled by global shutdowns, requiring companies to adopt online retail practices. As a result, Shopify and Lightspeed saw their stocks gain as much as 228% and 551%, respectively. South of the border, companies such as **Wayfair** (+1,355%) and **Etsy** (+493%) saw incredible gains as well.

It is said that habits take about three months to form. With global shutdowns being enforced for most of the year, it is safe to say that consumers will not be able to shake the online shopping behaviour in the near future. This shift towards online shopping helped fuel Black Friday and Cyber Monday sales to record highs. Shopify announced that its merchants alone processed \$5.1 billion in sales worldwide.

If e-commerce is truly the next big wave in the stock markets, investors should get in as soon as possible. Over the past decade, Apple stock gained 835%, as consumers increasingly adopted smartphones. Yes, Shopify and Lightspeed have already seen incredible gains this year, but e-commerce, in terms of its adoption, still has a lot of growth ahead.

What will drive Shopify and Lightspeed stock in the future?

Both companies check off a lot of boxes in terms of being great investments. Shopify and Lightspeed are both led by founder CEOs. Companies that are led by these individuals have been found to be much better performers than companies led by non-founders. In addition, Tobi Lütke (Shopify) and Dax Dasilva (Lightspeed) both have large ownership stakes in their companies. This indicates to investors that they are willing to be rewarded according to the company's performance.

Shopify and Lightspeed also have attractive business models. Both companies rely on subscription-based revenue, which provides a predictable source of revenue. If both companies are able to provide the services that merchants expect, they should be able to up-sell additional services, leading to ever-increasing recurring revenue totals.

Foolish takeaway

E-commerce is quickly becoming the focus of many investors, institutional and retail alike. Shopify and Lightspeed are leaders within the Canadian e-commerce space. Because of this, investors wishing to create massive amounts of [wealth over the next decade](#) should hold these companies in their portfolio.

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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
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