



## On the Night Before Christmas ... Buy These Stocks!

### Description

Greetings readers, on this 2020 Christmas Eve. This Christmas is shaping up to be very different than ones in recent history. The COVID-19 pandemic has forced families apart for the holiday season, torpedoing plans and treasured traditions. Canadians should not give in to melancholy during this typically joyous occasion. Instead, we should celebrate a harsh year gone past and hopes for a brighter 2021. Today, I want to look at three stocks that are worth stashing under the Christmas tree. Let's dive in.

### Shopify stock: The perfect Christmas gift for growth investors

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has made Santa Claus look stingy with the way it has gifted its shareholders since its initial public offering back in 2015. That has not changed in 2020. Shares of Shopify have climbed 198% in 2020 as of close on December 23. While the COVID-19 pandemic devastated brick-and-mortar retail, it has boosted an already thriving e-commerce space.

The bump for e-commerce was evident during the Black Friday/Cyber Monday shopping weekend. Digital shopping engagement surged to record highs. This was good news for Shopify's [e-commerce business](#) and its many merchants. Its sales soared 76% from the previous year to \$5.1 billion during the famed pre-holiday shopping weekend. Shopify's merchants totaled last year's figures by the middle of that weekend.

This Canadian e-commerce behemoth is gearing up for international growth this decade. It boasts an excellent balance sheet and huge growth potential.

### This dividend stock is worth holding forever

**TransAlta Renewables** ([TSX:RNW](#)) may not have brought the kind of Christmas cheer Shopify has with its last five years of growth, but this is still a top stock worth considering right now. This company develops, owns, and operates renewable power-generation facilities. All eyes have been on healthcare in 2020, but Canada and its allies have continued to emphasize a [green energy push](#). Indeed, the post-

pandemic years may accentuate this drive. That is good news for this stock.

Shares of TransAlta have climbed 31% in 2020. In Q3 2020, the company delivered comparable EBITDA growth of 12% to \$96 million. Adjusted funds from operations (AFFO) rose 10% to \$76 million. Best of all, TransAlta shareholders get the gift that keeps on giving with its monthly distribution. It last announced a monthly dividend of \$0.07833 per share, which represents a solid 4.8% yield.

## One more balanced stock to add on Christmas Eve

The last stock I want to look at on this Christmas Eve can strike a nice balance for a portfolio that contains the two stocks above. **Great-West Lifeco** ([TSX:GWO](#)) is a financial services holding company that is engaged in the life and health insurance, retirement and investment services, asset management, and reinsurance businesses in North America and Europe. Its stock has dropped 6.5% in 2020.

Net earnings at Great-West rose to \$826 million or \$0.89 per share compared to \$730 million, or \$0.79 per share, in the prior year. Base earnings were also up marginally from Q3 2019. Shares of Great-West possess a favourable price-to-earnings ratio of 10 and a price-to-book value of 1.3. It offers a quarterly dividend of \$0.4380 per share, representing a strong 5.9% yield. This value pick can make a nice Christmas present in your portfolio.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:GWO (Great-West Lifeco Inc.)
3. TSX:RNW (TransAlta Renewables)
4. TSX:SHOP (Shopify Inc.)

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