



Stock Market Prediction: These 2 Stocks Will Continue to Grow in 2021

Description

Predicting the future of the stock market is an impossible task. Each year, many retail investors and fund managers alike make bold predictions about the potential outcomes over the coming year. I do not believe there to be a single individual that can accurately predict a strong or weak year in the market and do it consistently.

For example, how many investors could have predicted such a heavy crash in the markets due to the COVID-19 pandemic at the end of 2019? Of those that may have gotten that prediction right, how many of them also said the markets would rally to all-time highs just a few months after?

Although predicting the future of the broader market may be difficult, the growth trajectories of certain companies may be easier to anticipate. To do this, an investor must analyze the business, its competitors, and any possible tail- or headwinds. In this article, I will discuss two stocks that have an excellent chance to continue growing in 2021.

The pandemic has formed new habits

It is often said that habits take three months to form. Unfortunately, the COVID-19 pandemic has stretched out for most of the year. With lockdowns and restrictions being enforced for nearly 10 months, people around the world have developed new habits that may never break. One of the biggest shifts in society has been the increased adoption of e-commerce. Companies such as **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) have become major beneficiaries of the pandemic.

Over the past five years, a steadily increasing adoption of online shopping has been documented. In Canada, online retail still makes up only a small portion of the overall retail volume. In April 2019, e-commerce accounted for only 3.8% of all retail sales. Fast forward to April 2020, and this figure jumped to 11.4%. It is only natural for this number to decrease in the near term, as businesses re-open. However, there is no doubt that e-commerce has a bright future ahead.

[Since its IPO](#), Shopify stock has been an incredible winner, gaining more than 1,400% leading into 2020. This year, the company has continued to grow at breakneck pace, going up nearly 200% as of

this writing.

This company has been a reliable compounder for more than a decade

It is a rare occurrence for retail investors to be able to own a stock that goes up more than 5,000%. Often, these kinds of gains are restricted to opportunities within the private equity market. However, this is the situation that early investors of **Constellation Software** ([TSX:CSU](#)) have found themselves in.

Leading into 2020, Constellation Software stock had increased more than 6,800% since its IPO. Considering that massive gain happened over only 13-and-a-half years, it is an understatement to say this stock has been a rewarding one to hold. Massive fortunes have been made off the backs of intelligent [acquisition decisions](#) by this company.

This year, Constellation Software stock has gained about 30%. This is slightly lower than the 39.5% compound annual growth rate the company has returned since its IPO. However, Constellation Software president and founder Mark Leonard is still very much involved with the company. This will allow investors to rest assured in knowing the company should continue to perform as it has over the past 14 years.

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1. Investing
2. Tech Stocks

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2. TSX:CSU (Constellation Software Inc.)

3. TSX:SHOP (Shopify Inc.)

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