



Where to Invest Cash for 2021: 3 Top Stocks

Description

2020 was a year we will never forget. In addition to all the crazy news that's happened this year globally, it's also been a crazy year for stock markets. Early on in the market crash, it looked like 2020 was going to be awful. However, after the recovery, many investors have made significant gains this year. So we enter 2021 with a tonne of optimism around where we will invest.

In past years, stocks that have had momentum in one year usually can carry it into the next year. However, that may not be the case in 2021.

Many of the stocks that rallied this year did so because of the tailwind created by the pandemic. This means that while they were great investments in 2020, they could lose momentum in 2021 as the coronavirus pandemic starts to wind down.

So it's important when selecting investments for 2021 that you find high-quality business with momentum that can grow your savings rapidly. However, at the same time, you should try to avoid stocks that may have seen their best days behind them.

Here are three of the best **TSX** stocks to invest in for 2021.

Invest in renewable energy for 2021

Investing is always about finding a balance, but especially in 2021. So while the other two stocks I recommend will have more growth potential, Algonquin is more on the conservative side. This is important as we enter 2021 with a significant level of uncertainty.

You can't ignore the risk altogether, which is why an investment in a stock like **Algonquin Power and Utilities Corp** ([TSX:AQN](#))([NYSE:AQN](#)) could go a long way.

Plus, in addition to the defensive attributes it can add to your portfolio, it also offers investors considerable long-term growth potential with its renewable energy segment.

This combination of safety and stability combined with long-term growth will position you well in 2021. The momentum in green energy has been heating up lately, and with Joe Biden taking office will only have upside to grow.

Plus, if there is any more volatility in stock markets, you can count on Algonquin's utility business to protect your capital. It's a win-win situation going into a year with a tonne of risk but also a tonne of opportunity.

Industrial real estate stocks

Another hot investing trend as we enter 2021 is the booming e-commerce industry. E-commerce is creating a tonne of opportunities for some stocks while negatively impacting others.

And while most stocks seeing the positive impact from e-commerce are tech stocks, there are some real estate investment trusts (REITs) seeing tailwinds too.

Granite REIT ([TSX:GRT.UN](#)) is an industrial [real estate stock](#) seeing major growth in recent years. With more and more businesses leaving retail for online, it's increased the demand for warehouse space significantly.

In the past, these companies haven't needed a place to store inventory due to their brick and mortar stores. However, with an increasing number of companies going online-only, industrial warehouse space is in high demand.

Over the last years, Granite has earned investors a total return of over 155% and pays a current dividend of 3.9%. That makes it one of the top stocks you can buy heading into 2021.

A top tech stock for 2021

The last stock to consider investing in for 2021 has to be a tech stock. Similar to Granite's appeal for its exposure to e-commerce, one of the best long-term growth stocks on the TSX is still **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Despite its size, Shopify still has a tonne of room to grow. Just look at **Amazon**. The company continues to innovate, allowing its size to aid in growth rather than impeding it.

With [Shopify](#), the same theory applies. The bigger the company can get, and the more tools it can offer the merchants using its platform, the more it can help to boost its clients' businesses. And the more companies that can grow their businesses online will only help the whole sector to grow.

As businesses see their competitors going online, it creates a snowball effect. So while the pandemic has been a tailwind this year, even after the pandemic, I would expect to see significant growth in the e-commerce industry.

That's why Shopify, the leader in the space, is still one of the best investments you can make for 2021.

CATEGORY

1. Investing

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1. NYSE:AQN (Algonquin Power & Utilities Corp.)
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3. TSX:AQN (Algonquin Power & Utilities Corp.)
4. TSX:GRT.UN (Granite Real Estate Investment Trust)
5. TSX:SHOP (Shopify Inc.)

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