



These 2 Large Cap Stocks Should Be Great Buys in 2021

Description

Investors often talk about small-cap stocks for their incredible growth potential. Indeed, retail investors and [Wall Street analysts](#) alike believe small cap stocks have a better chance of producing 10 times returns than a large cap company. Although this can be supported by theories like the law of big numbers, investors shouldn't be turned off from investing in large caps altogether. In this article, I will discuss two companies that should be great buys in 2021.

The adoption of e-commerce is a millionaire-making event

Since **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) became a public company in 2015, the stock has created an incredible amount of new millionaires. A [\\$1,000 investment at Shopify's IPO](#) would be worth more than \$40,000 today. Imagine the nest egg you could be sitting on if you had invested in the company even once or twice a year since then.

Shopify is a global leader among website builder companies. It is the leading provider of its services within English-speaking countries. In fact, Shopify has done well in attracting more than 1,000,000 small- and medium-sized merchants in addition to large corporations like **PepsiCo**, **Nestle**, and **Tesla**.

Among all the reasons investors can point to which may help Shopify grow, few discuss its excellent work environment and healthy morale. If there is one thing that a company needs to continue exceeding expectations, it's a happy workforce. Shopify has a 4.2 star rating and a 92% CEO approval on Glassdoor.

These outstanding numbers indicate that the company's employees find working at Shopify to be an excellent experience. This will certainly help the company continue to grow as quick as it has in recent years.

This Canadian tech giant is a reliable compounder

Another excellent large cap company for 2021 can be found in the Canadian tech industry.
Constellation Software

([TSX:CSU](#)) is likely one of the most consistent wealth-creators in Canada. Since 2007, the company has returned a compound annual growth rate of 39.5%. This means that a \$10,000 investment in October 2007 would have become \$809,145 today!

Constellation Software is a diversified tech company which has made a name for itself by acquiring small tech businesses across several verticals. Since its founding, Constellation Software has acquired more than 500 businesses. The company has found success through its meticulous acquisition strategy which searches for businesses that are profitable, have a history of above average growth, and an excellent management team.

Because of its proven success, the Constellation acquisition strategy has been copied and modified by many competitors over the years. In fact, company President Mark Leonard has resorted to ceasing his annual president's letters in an attempt to mitigate copycat companies. This dedication to outperformance, from a company that has already grown more than 9,000% since its IPO is very impressive.

Foolish takeaway

Although small cap stocks can provide investors with market-beating performance, some large cap companies also provide similar potential. Shopify and Constellation Software are two of the most impressive growth stocks in Canada. Both companies appear primed to continue their impressive growth over the next year.

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2. Tech Stocks

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TICKERS GLOBAL

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2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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