



2 Top Canadian Stocks to Buy Now and Never Sell!

Description

Have you made any plans for the New Year? You can only hope that the worst of COVID-19 is behind, and 2021 brings a new beginning. No one knows what the future holds. But you can be prepared by buying into some of the top Canadian stocks now before they surge in 2021.

What factors will drive the Canadian stock market in 2021?

To understand the top stocks for 2021, you first need to understand how the stock market will look this year. What elements will lead the market? The stock market moves the way your surroundings move. In 2020, everyone was locked at home and took to the digital world to get their work done. That is when tech and logistics stocks surged.

The year 2021 will be the year of the vaccine and return to normalcy. It will see uncertainty as the Justin Trudeau government gradually phases out the fiscal stimulus package. It remains to be seen how businesses stand without government support. Many companies will struggle with the debt they took last year to maintain liquidity. The debt will hurt their near-term profits.

Canada's [unemployment rate](#) fell from 13.7% in May 2020 to 8.5% in December 2020, partially because of the wage subsidy. Once the government removes the wage subsidy, the unemployment rate could surge temporarily, which could lead to a correction in the stock market.

Moreover, the vaccine rollout will have its challenges. The coronavirus [might mutate](#) and cause frequent lockdowns province-wide and nationwide. The government is looking to make the vaccine available to everyone before September. But people might refuse to get vaccinated, or the vaccine might create new health complications.

All of these after-effects of the pandemic could hurt the stock market.

Which stocks to buy now and never sell?

Amid all these uncertainties, one way to hedge your portfolio is by buying into resilient stocks that can survive the pandemic.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) and **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) are resilient to the economy and will stand to benefit as the economy recovers.

Enbridge

The year 2021 will see the return of oil demand. While there will be some short-term headwinds like temporary lockdowns, the overall oil demand will surge. As logistics and vaccine rollout picks up, gasoline demand will surge. After things normalize, pent-up air travel demand will drive demand for jet fuel. While oil consumption may not return to the 2019 level anytime soon, it will be higher from 2020.

Enbridge will give you the benefit of the surge in oil consumption as higher volumes of oil will transmit through its pipelines. As it transmits oil at a predetermined price in its long-term contracts, it is not impacted by oil prices. Moreover, it earns over 40% of its revenue from natural gas and renewable energy that mitigates the impact of fluctuating oil demand.

Hence, Enbridge maintained its dividend per share in 2020 and even increased it by 3% in 2021. The double-digit decline in oil revenue was offset by an increase in natural gas and renewable energy revenue.

Descartes Systems

Descartes provides supply chain management solutions to a wide range of industries and has a vast portfolio ranging from a single trade to end-to-end solutions. It has been increasing its revenue at a compound annual growth rate (CAGR) of 12% between 2015 and 2019.

Last year, its revenue grew to mid-single-digit as strong demand from e-commerce customers offset weakness in airlines and other sectors. Despite this, Descartes's stock surged 30%. As the economy recovers, Descartes could see a recovery in its growth rate that will drive its stock.

Investor corner

Enbridge stock has already surged 19% since the vaccine news broke out and has the potential to surge another 30%. You still have the chance to lock in a 7.8% dividend yield for a lifetime by buying Enbridge stock right now. As for Descartes, the stock will protect you from any market crash and deliver double-digit growth.

I would suggest you invest in the above stock through the Tax-Free Savings Account (TFSA) as it gives you the flexibility to withdraw your investment income anytime in a tax-efficient manner.

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1. Coronavirus
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5. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:ENB (Enbridge Inc.)

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