



2 TSX Stocks I'm Most Bullish On

Description

The **Toronto Stock Exchange** is the flagship stock exchange of the **TMX Group** and the ninth largest stock exchange in the world. As of November 2019, there were 2,231 stocks listed on the exchange. Combined, these stocks are valued at \$3.26 trillion. Of all the companies listed on this exchange, two companies stand out among the rest for their leadership position in their respective industries.

Additional factors that make these companies attractive investments include their strong management teams and outstanding business models. Which two companies would I choose to buy before all other companies listed on the **TSX**?

A global leader in an important, emerging industry

As a growth investor, the primary screening question I ask myself is whether this company is a global leader in an important, emerging industry. If the answer is yes, then the stock moves on to the next series of questions. Both **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Brookfield Renewable Partners** ([TSX:BEP-UN](#))([NYSE:BEP](#)) are exceptional businesses that fulfill that crucial first requirement.

Shopify is one of the leading providers of online store website building services. As of the end of 2020, it is estimated that about 500,000 active websites were using Shopify to power their stores. In addition, more than 5,300 businesses are current Shopify Plus customers. This wide range of customers, from first-time entrepreneurs to large cap enterprises, has powered Shopify to become the leading provider in its industry within English-speaking countries.

Shopify is currently led by its founder-CEO, Tobi Lütke. He is highly respected within the financial space for his obvious passion to “make commerce better for everyone.” Lütke has mentioned on many occasions that he asks his board, every year, whether they still believe he is the best person to lead the company. In the event it is decided that another individual would better serve the company’s mission, he would be more than willing to step aside. This dedication is very reassuring to shareholders.

Shopify has also done an excellent job at incentivizing businesses to continue, and even increase,

their usage of its businesses. By providing services like Shopify Capital and Shopify Shipping, merchants can rest assured that they have all the tools required to be successful.

Brookfield Renewable is a top Canadian company

Moving over to Brookfield Renewable, few investors continue to understand the magnitude of its positioning within the renewable energy industry. The company currently has a portfolio of diversified assets capable of generating 19,400MW of power. Its management team has also made it clear that growth is of the highest priority. Brookfield Renewable was able to close numerous acquisitions over the past year.

Brookfield Renewable's management team has also displayed an exceptional track record of beating company targets. Its [long-term goal](#) is to produce 12-15% annualized returns to investors, including an annual 5-9% distribution increase. Since its inception, Brookfield Renewable has generated 18% annualized returns, which have only increased over the past five years (22%). Meanwhile, its distribution has increased at an annualized rate of 6% since 2000.

Finally, Joe Biden's presidential victory may have a lasting effect on renewable energy companies. His team has announced a \$400 billion investment target over the next 10 years. The combination of Brookfield Renewable's outstanding business and a strong secular trend toward renewables were the reason I made it my [first buy of 2021](#).

Foolish takeaway

Shopify and Brookfield Renewable are two companies that I believe stand above their peers listed on the TSX. Both companies have very attractive investment propositions powered by a strong management team and a leadership position in their industry. I believe all Canadian investors should take a hard look at these two companies for their own portfolios.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

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TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:SHOP (Shopify Inc.)
5. TSX:X (TMX Group)

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Date

2025/08/12

Date Created

2021/01/14

Author

jedlloren

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