



Buy Alert: I Increased Stakes in These 2 Stocks

Description

Since December, I have been writing about two companies that would be excellent to hold through Q4 2020 and into 2021. Last Friday, I doubled down on those words by adding to two of my positions and closing out one company that I had previously been very bullish on. In this article, I discuss these trades and explain the rationale behind them.

My two most bullish picks on the TSX

Last week, I [published a piece](#) explaining which two companies I am the most bullish on in the **TSX**. These two companies are **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Brookfield Renewable Partners** ([TSX:BEP-UN](#))([NYSE:BEP](#)). I had also previously written about Shopify being my last purchase in 2020 and Brookfield Renewable being my first purchase in 2021. Clearly, I have a track record of putting my money where my mouth is. So why am I so bullish?

Focusing on Shopify first, it is clear that e-commerce is here to stay. At the start of the pandemic, online shopping saw a huge spike, globally. As physical stores began to reopen, consumers slowly turned away from online shopping and returned to in-store experiences. However, in November, e-commerce sales spiked substantially. So much so that online shopping accounted for a higher percentage of online sales than in April 2020.

This is a clear indicator that consumers have become very comfortable with online shopping. In November, Shopify merchants posted record sales over the Black Friday-Cyber Monday weekend. Collectively, Shopify merchants [sold \\$5.1 billion](#) over that weekend. With the Christmas season behind us and COVID-19 cases reaching all-time highs, it is perfectly reasonable to assume consumers resumed shopping online. If so, Shopify might blow out its earnings forecasts.

An industry on the rise

Brookfield is the clear leader among Canadian renewable energy companies. With a global portfolio capable of producing 19,400MW of power, its closest competitors are years behind in terms of

development. With the Biden administration promising a \$400 billion investment into clean energy, over the next 10 years, the renewable energy industry could skyrocket.

Brookfield Renewable's management also has an exceptional track record. The company has exceeded its goal of producing 12-15% annualized returns over the long-term, with an 18% annualized return since inception. The company also aims for an annual growth of 5-9% in its distributions. Since 2000, Brookfield Renewable has managed to increase its dividend at a compound annual growth rate of 6%.

Which company is no longer in my portfolio?

This may upset some investors, but I completely sold out of my position in **WELL Health Technologies** ([TSX:WELL](#)). I still think the company has an excellent chance of becoming a great company. It is led by Hamed Shahbazi, who has a track record of leading companies to great heights. WELL Health is also backed by Li Ka-shing, a Hong Kong business magnate that is very well respected in the financial space.

However, I decided to prepare for any potential market crash and close out the position. I still hold **Teladoc**, which is arguably the global leader in the telehealth space. In the event of a market crash, I expect the cream of the crop to rise to the top and lesser companies to falter. Therefore, locking in my massive gains with WELL Health seemed to make sense.

Foolish takeaway

Shopify and Brookfield Renewable are two companies that I have been pushing hard since December. Both have massive tailwinds that can propel them to new heights. I added to these two companies last week and expect to continue doing so in the future. Both companies are winners that I expect will continue to win as their industries keep growing.

CATEGORY

1. Investing
2. Tech Stocks

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1. brookfield renewable partners
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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:WELL (WELL Health Technologies Corp.)

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