



The 3 Best TSX Stocks for Millennials in 2021

Description

Young investors have the benefit of time when it comes to investing in top stocks. The best stocks to buy in 2021 should be companies millennial investors want to own for years.

Why Shopify remains one of the best TSX stocks to buy in 2021

Shopify ([TSX:SHOP](#)) ([NYSE:SHOP](#)) soared in value last year, as the pandemic forced millions of small businesses to set up their online presence. Once companies are up and running with their online store, they will maintain the shift, even if the world goes back to brick-and-mortar retailing.

Shopify's products and services are sticky. When a customer signs up, they normally won't switch to a competing platform down the road. The wide portfolio of services offered by Shopify gives it multiple opportunities to pick up extra revenue. Shopify is at the point where it is viewed as the leading player in its space, and growth should be steady in the coming years.

The stock doesn't look [cheap](#) at \$1,500 per share, but that's what people said when it traded at \$50 in 2016 and at \$500 last year.

If you don't have a lot of money to invest in expensive stocks like Shopify, it is possible to just [buy one share](#) and simply sit on it for the next 10 years.

Canadian National Railway

CN ([TSX:CNR](#)) ([NYSE:CNI](#)) is one of the best TSX stocks young investors can buy now and hold for decades in their TFSA or RRSP portfolios. Railways might not be the most exciting companies, but the returns they generate make them rock stars.

CN is the only railway in North America that owns tracks connecting to three coasts. That's an important competitive advantage that likely won't change. Building new competitive tracks along the same routes is nearly impossible. Attempts to merge major railways tend to run into regulatory

roadblocks.

CN grows with the Canadian and U.S. economies. The company generate great profits and carloads of free cash flow. The board raised the dividend by a compound annual rate of 16% since CN went public. That makes a huge difference on total returns over the long haul.

A \$10,000 investment in CN stock just 20 years ago would be worth more than \$230,000 today with the dividends reinvested. No wonder Bill Gates likes the stock so much. In fact, he owns about 14% of the outstanding shares.

Why BCE is one of the best TSX stocks for millennials and their parents

BCE ([TSX:BCE](#))([NYSE:BCE](#)) used to be the stock grandparents loved. That's still the case, but it also appeals to younger investors who want to get good exposure to the benefits of the emerging 5G world.

BCE is Canada's largest communications company. The firm is investing heavily in the expansion of its 5G network. In the coming years, this will open up new opportunities for revenue just as the expansion of broadband across fibre networks enabled the current market for movie streaming.

BCE pays a great [dividend](#), so investors get paid well to ride out the evolution of the communications industry. When the dividends are reinvested in new shares for several years the power of compounding can turn modest initial investments into large portfolios for retirement.

Young Raptors, Leafs, Argos or Toronto FC fans can also own a piece of their favourite team through BCE stock. The company and its MLSE partners own the pro sports clubs.

BCE stock looks cheap at \$55 and provides a 6% yield today.

The bottom line

Shopify, CN, and BCE are leaders in their respective industries and should deliver strong long-term returns for buy-and-hold portfolios. Millennial investors might want to add these names to their list of the best TSX stocks to buy in 2021.

CATEGORY

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2. NYSE:CNI (Canadian National Railway Company)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:BCE (BCE Inc.)
5. TSX:CNR (Canadian National Railway Company)
6. TSX:SHOP (Shopify Inc.)

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