Forget GameStop (NYSE:GME) Stock! These 2 TSX Stocks Are Better Bets

Description

While there are several key differences between trading and investing, one fundamental difference that's also backed by statistics is that more people have grown reasonably rich by investing compared to trading. According to an estimate, only about 2% of the day traders make a decent profit. On the other hand, a significant proportion of investors make a decent amount of money given enough time.

This is one reason why flukes like **GameStop** (NYSE:GME) are of no real use to investors. You would indeed have made a killing by buying and selling that company at precisely the right time, but that would have required incredible foresight, and luck would have been a factor as well. And your chances of losing money would have been higher, especially if you had bought the company when it was peaking.

A better option would be to park your money in slow-growing but relatively dependable companies like **Parkland** (TSX:PKI) and **Amex Exploration** (TSXV:AMX).

An independent fuel retailing company

Parkland is the largest independent fuel retaliating company in Canada and the Caribbean, and it also has a decent presence in the U.S. While it does the bulk of its business in North America, it has a decent international presence and its brands can be found in 25 countries. The company is divided into four segments: retail fuel, convenience stores, commercial fuel, and supply.

It also happens to be a Dividend Aristocrat, and is currently offering a decent 3.17% yield at a stable payout ratio. But two more important numbers you should look into are its five-year and 10-year CAGRs. Both are a bit above 17% — enough to turn a $5,000 investment into about $115,000 in two decades. The growth that Parkland offers is more substantial since its backed by a globally growing business and is not a short-term hike fuelled by the internet.

A junior mining company

If you want a growth rate that's almost on par with GameStop, albeit spread out over a more extended period, you might consider investing in Amex. The company grew over 2,100% in the last three years. It has a three-year CAGR of 181%, and if the company can replicate that in the next three years, it can convert your $5,000 investment to $110,000.

This growth pace comes with its risks, and much of the company's growth can be attributed to the investor hype around gold that was fueled by uncertain market conditions. It has three properties in Quebec. While the company might not be an attractive buy right now, especially from a valuation perspective, you might consider buying it when it dips. The value will most likely soar during or after another market crash.

Foolish takeaway

Opportunities like GameStop are scarce, and the chance of losing money on such bets is usually very high. A smart idea would be to go for predictable growth with companies that change their valuation steadily over the years and don't offer temporary flukes. Long-term holding excellent businesses is a tried and tested investment strategy and might be better than your foray in trading would.

CATEGORY

1. Dividend Stocks
2. Investing
3. Metals and Mining Stocks

TICKERS GLOBAL

1. NYSE:GME (GameStop Corp.)
2. TSX:PKI (Parkland Fuel Corporation)

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