



Tech Stock Meltdown: 2 Top TSX Stocks I'd Buy Now to Hold for 20 Years

Description

Canadian investors want to buy top TSX stocks that can ride out the next [market pullback](#) and deliver solid long-term gains.

Tech stock exodus

As the world moves beyond the pandemic, stay-at-home tech winners are starting to lose their appeal. Some tech companies that received a big 2020 revenue boost will not maintain the growth in 2021 and 2022. As a result, the high multiples investors were willing to pay to own the most popular names appear to be at risk.

As investors book profits on tech winners, the cash will seek a new home. Commodity stocks are already leading the 2021 charge, and this trend should continue. In addition, the reopening of the global economy provides opportunity to own stocks that should benefit as people go back to work and resume [travel](#). The obvious choices have already rallied on this expectation, but other stocks still appear attractively priced.

Why Nutrien is a top TSX stock to own for decades

Nutrien ([TSX:NTR](#))([NYSE:NTR](#)) is the planet's largest producer of potash and is a major supplier of nitrogen and phosphate. These crop nutrients help global farmers get better yields from their land. Nutrien also has a retail division that sells seed and crop protection products.

Experts predict the world population will grow from roughly 7.8 billion in 2020 to nearly 10 billion by 2050. Urban expansion continues to eat up valuable farm land, and the broadening of middle-class wealth in emerging markets is driving more demand for meat.

Higher crops production will be needed to feed both people and the animals they want to eat. Farmers will need to use more fertilizer to get better yields out of increasingly less land. This all bodes well for Nutrien.

In the near term, Nutrien anticipates strong demand for its products in 2021, supported by elevated crop prices. In the [Q4 2020 results](#) Nutrien said it expects U.S. farmers to plant an additional 10 million acres this year. Global potash shipments could hit record levels.

Nutrien has the potential to be a free cash flow machine in the coming years. In fact, the upward trend already looks to be in place after several challenging years. The company generated US\$1.8 billion in free cash flow in 2020.

The board just raised the dividend and Nutrien intends to buy back up to 5% of the outstanding common stock over the next 12 months.

Nutrien enjoyed a nice rally off the market crash lows, but more upside should be on the way. The stock currently trades near \$67 per share. It wouldn't be a surprise to see Nutrien stock top \$100 in the next two years.

Why Brookfield Asset Management looks attractive today

Brookfield Asset Management (TSX:BAM.A) ([NYSE:BAM](#)) finished 2020 with US\$600 billion in assets under management and a war chest of cash available for acquisitions. The company and its subsidiaries are already off to a busy start in 2021. Brookfield Asset Management is in the process of taking its property subsidiary private. The business owns hotels, office buildings, student housing, industrial and other real estate assets around the globe.

In February, the CEO said he thinks the stock is undervalued by 40% based on the calculated value of the assets, the revenue streams, growth opportunities, and reasonable assumptions on interest rates. The stock currently trades near \$52 per share, about where it was when he made the statement.

Brookfield Asset Management reported an 11% increase in net income for Q4 2020 compared to 2019. The board raised the dividend by 8% for 2021.

The bottom line

Nutrien and Brookfield Asset Management are leaders in their respective industries and should be solid buy-and-hold stock picks for 2021 and beyond.

If you have some cash to put to work, these stocks deserve to be on your radar.

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