
These 2 TSX Stocks Are Screaming Buys Ahead of the Roaring 20s

### Description

It's been a brutal start to the 2020s, with the COVID-19 pandemic that continues to plague the world to this day. With the action in the bond market, it has been a volatile first quarter of 2021.



Now that the page turned on a fresh quarter, the biggest concern on the minds of growth investors is the 10-year U.S. Treasury note, whose yield has swollen by triple in recent months.

However, it is worth mentioning that the fierceness of growth-to-value or value-to-growth rotations has calmed down in recent weeks, with the value-heavy Dow Jones Industrial Average now moving more in line with the growth-heavy Nasdaq 100. However, the calming down of said rotations does not mean volatility, and the divide between growth and value stocks will not pick up again, especially if the 10-year note yield surges above 2% or even 3%.

Could this be the calm before the next storm?

It could be. In any case, I think Canadian investors need to treat the recent correction in growth stocks as a buying opportunity in case it turns out that bond yields have peaked over the near term.

## Don't time the bond market or the stock market ahead of the Roaring 20s

Although bond yields have pulled back by several basis points of late, sparking a recovery in growth stocks, I think it's unwise to rule out 2-3% bond yields by year's end and additional pressures on the growthiest of growth stocks. As such, investors must remain diversified, rather than chasing past returns with the growth winners of last year or hiding in safe-haven assets that could be left behind once the pandemic ends and the Roaring 20s finally takes hold.

The bond market, like the stock market, is an unpredictable beast, because there are just far too many variables. Sure, you could use the technical story to pinpoint a yield target on the 10-year yield, but doing so is akin to throwing darts at a board. So, take any shallow predictions you hear on TV with a fine grain of salt and a double dose of skepticism.

## Rattled by the bond market? How about a pair trade for the Roaring 20s?

Simply put, you want to play both sides of the coin here, with beaten-down growth stocks like **Shopify** if your portfolio is light on them or value stocks like **Fortis** if you took too big a hit to the chin amid the latest growth sell-off.

If you're well diversified, with extra dry powder on the sidelines, it may be wise to buy Fortis and Shopify at the same time. Both names, I believe, are still off considerably from their 52-week highs, making them worthy bets that can help you grow your wealth, regardless of what Mr. Bond Market ends up doing next.

Despite Shopify's pullback, its stock remains expensive, with a nosebleed-level valuation and a 48.4 times price-to-sales multiple. This isn't Shopify's first bear market, and it's not going to be its last. I think you have to give its CEO Tobias Lütke the benefit of the doubt here, as Shopify's pandemic tailwinds fade away. I still think the post-pandemic world will be really kind to Shopify shareholders, making the name a great long-term hold, despite the bumps in the road.



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