



Bet on the World: Top 3 TSX Stocks With International Exposure

Description

Last year when the pandemic crashed the stock market, Warren Buffett [said](#), “Never bet against America.” He backed his statement with the success stories of some companies. I read through Buffett’s conversation and realized that Canada is gradually walking on the path of America. Many Canadian companies are becoming global leaders in their respective industries. Investing in them could help you get international exposure and bring significant long-term gains.

Canadian stocks with international exposure

There is no doubt that the U.S. markets are larger and more diverse than Canada in terms of industries and stocks. But Canada is gradually gaining momentum. **Lightspeed POS** and **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) are breaking the charts even on the **NYSE**. When talking about electric vehicles (EV), there is always a mention of **Magna International** ([TSX:MG](#))([NYSE:MGA](#)).

Descartes Systems ([TSX:DSG](#))([NASDAQ:DSGX](#)) is the seventh-largest provider of supply chain management solutions. As these stocks also trade on NYSE and give you international exposure, often people forget that they are based out of Canada.

You may ask, *why do I need such exposure?* The stock market rebounded in April 2020 even when the U.S. gross domestic product (GDP) was negative. At that time, market experts stated that one reason for this was the huge international exposure of tech giants. This globalization has proved the Buffett Indicator, which believes that the stock market is a measure of the nation’s gross domestic product incorrect.

As the world comes closer, it time to look beyond America or Canada and bet on the world with three Canadian stocks.

Shopify

Shopify has made its mark in the e-commerce market, making itself a [worthy competitor](#) to **Amazon**.

So far, it has its presence, largely in North America, but the company is spreading its wings to intentional borders. International markets are tough as there is a language barrier and competition from the local e-commerce provider. But **Google** and **Facebook** did it in their respective fields by creating a single user-friendly platform that users can easily customize as per their needs.

Shopify has that advantage. Its e-commerce platform became the preferred platform of choice after Amazon because of its ease of use. Hence, Shopify stock surged more than 170% per year in the last two years. Although its growth has slowed this year amid the uncertainty around the pandemic, its long-term growth potential is significant as it taps the world market.

Magna International

If you think the e-commerce wave was the next big thing, wait till you hear about the EV and autonomous vehicles (AV) wave. The global automotive market was on the maturity stage a few years back, with growth slowing. But when major auto markets – China, Europe, and America – decided to go carbon-free by 2030, EVs gathered momentum. To give you an idea of the size of the EV wave, major countries aim to replace a large portion of gasoline vehicles with EVs and in the future with AVs.

When I say vehicles, it includes everything from cars to trucks to forklifts. While fuel cells are another way of electrifying vehicles, building EVs is gathering momentum, and Magna is at the core of it. Magna is the world's third-largest auto parts supplier and a third-party auto manufacturer. From Google to **Apple**, it is working with all major tech companies on their AV projects. Moreover, Magna is growing its EV manufacturing capacity in China and Europe. It even plans to open an auto manufacturing plant in the United States.

Magna stock has already surged more than 32% year to date. Before 2020, it took the stock five years to achieve this level of double-digit growth. The stock is in a high growth cycle, which will remain till the EV and AV momentum stays.

Descartes Systems

Descartes's very business is the supply chain. As the world gets closer, the need for its solutions will only grow. While the company may not aggressively compete with its larger competitors like **IBM** and **Oracle**, it will co-exist and give you industry-level growth.

Final thoughts

Having stocks with international exposure will help your portfolio outperform the **TSX**. However, it will increase your exposure to geopolitical risks. So diversify your portfolio well.

CATEGORY

1. Investing
2. Personal Finance
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:MGA (Magna International Inc.)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:DSG (The Descartes Systems Group Inc)
5. TSX:MG (Magna International Inc.)
6. TSX:SHOP (Shopify Inc.)

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