



1 Stock to Dodge and 1 to Buy

Description

Anywhere you look, you can find a bullish and bearish report for just about any stock. This sort of accessible data can be great for retail investors. However, the sheer amount of data available can make it more difficult to decide on which stocks are better suited for you. In this article, I will discuss one stock that I believe investors are better off ignoring for now and one stock that would be a great addition to your portfolio.

A lot of uncertainty remains

Air Canada ([TSX:AC](#)) is a company that all Canadians should be familiar with. It is Canada's largest airliner, carrying over 51 million passengers to nearly 220 destinations in 2019. In fact, Air Canada has been noted as being one of the 20 largest airliners in the world. With that in mind, would it be a good idea to buy Air Canada stock?

In late 2019, Air Canada was at the top of my watchlist. I figured the increasing number of travelers each year was a very strong investment thesis. Younger generations have been pushing the travelling industry to new heights year after year. However, older generations have been seeking travelling opportunities, as retirement and vacations move to the forefront of their lives. However, I decided not to start a position in the company due to the razor-thin margins present in many airline companies.

Last year was especially hard on the travel industry. With the COVID-19 pandemic causing international border closures and businesses to move to remote settings, it resulted in a shocking decline in travel around the world. Thus far, 2021 hasn't been much better. While the distribution of COVID vaccines has been a positive, air travel remains low. For [Q1 2021](#), Air Canada reported an 80% decrease in revenue compared to the same period in 2020. The company also reported a net cash burn of \$14 million per day, raising the question of how much longer they can last.

A better option

The company I decided to add to my portfolio instead of Air Canada has done much better over that

span and seems to have a more promising future. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is one of the global leaders in the rapidly growing e-commerce industry. The company offers a platform that enterprises of all sizes can use to operate online stores. Currently, there are more than 1.1 million merchants relying on Shopify. These businesses include large enterprises such as **Heinz** and **Netflix**.

Shopify's growth story has been amazing since its IPO. The company's revenue has continued to prove that it's in the midst of a hyper-growth stage. From 2019 to 2020, Shopify saw its total annual revenue increase an astonishing 86%. In Q1 2021, the company reported even stronger growth. It saw its quarterly revenue increase 110% year over year for that period. Since Q1 2016, Shopify's monthly recurring revenue has increased at a CAGR of 45%.

Coming into this year, I said that Shopify would be [my top choice](#) if I were forced to invest in only one stock. The company is founder-led, serves a large total addressable market, and has continued to innovate in a rapidly growing industry. If it's able to continue performing as it has, today's prices could seem like a bargain a few years down the road. Investors have recently been buying this stock more heavily, pushing its value up more than 20% over the past month. We could still be at the beginning of the story.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. air canada
2. canada
3. Editor's Choice
4. growth
5. growth investing
6. growth stocks
7. investing
8. long term growth
9. Retail
10. Shopify
11. Shopify Stock
12. Stocks
13. tech
14. technology
15. technology stocks
16. tsx growth stocks
17. tsx tech stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:AC (Air Canada)
3. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Tags

1. air canada
2. canada
3. Editor's Choice
4. growth
5. growth investing
6. growth stocks
7. investing
8. long term growth
9. Retail
10. Shopify
11. Shopify Stock
12. Stocks
13. tech
14. technology
15. technology stocks
16. tsx growth stocks
17. tsx tech stocks

Date

2025/08/14

Date Created

2021/06/23

Author

jedlloren

default watermark

default watermark