Millennials: 1 Growth Stock to Play a Top Secular Trend

Description

Young investors like millennials arguably have one of the greatest advantages in the world of investments. Although many millennials may not have savings at the level they want them to be; they still have time on their side. With a longer-term time horizon comes a stronger stomach to hang onto those high-growth stocks that are way too volatile for older investors to own.

Moreover, even if an investment or trade sours, one has many decades to make back any such losses. As such, seasoned millennials should take risks where the potential rewards make sense. That said, one should not lose sight of an investment's risk vs. reward.

Bitcoin and other speculative assets are dangerously volatile and are far too risky for most investors. It's impossible to value and could, in theory, shed a majority of its value overnight. Brilliant investors like Warren Buffett and Charlie Munger wouldn't touch Bitcoin with a 10-foot pole. And you'd be wise to follow both men in resisting the temptation to speculate on such controversial investments.

Yes, everybody wants to strike it rich in the shortest timeframe possible. But even investment legends like Warren Buffett have no idea how to do it. It's the hunger for quick riches that leads many towards the pathway of instruments that have unfathomably high risks. Take Dogecoin, a meme token that may very well be worth next to nothing in 10 years. Undoubtedly, the asset has enriched many. But at the end of the day, a crowd of investors is going to be left holding the bag.

Millennials should take *smart* risks

As a millennial investor, it's fine to go for the high-growth plays. But it's not okay to completely ignore the risk profile on any instrument. Smart investors like Warren Buffett know that to tilt the odds in your favour in investing, you need to balance the risk vs. reward. In essence, he wants to get a little something for free by paying less to get a bit more. That's value investing in a nutshell. So, whether we're talking about a deep-value stock with a single-digit price-to-earnings (P/E) multiple or a hyper-growth stock that's not as expensive as it could be under a bull-case scenario, investors should always strive to get a better bang per invested buck.

I view Bitcoin as a gamble. If you're all right with gambling, then go ahead and place a bet. But for investors who want to invest for the long term, rather than speculate on a trade that could sour overnight, consider **Docebo** (TSX:DCBO)(NASDAQ:DCBO), an expensive, albeit very promising WFH (work-from-home) play that's capitalizing on the digital transformation.

Betting big on a long-term trend

The pandemic gave Docebo a boost. And with more jabs in arms, such tailwinds could fade away with the number of COVID-19 cases. Such a fading of pandemic tailwinds could drag the stock to lower levels in the near term. But when you think longer term, it becomes more apparent that the pandemic is more of an acceleration in a secular trend (in the case of Docebo, it's the rise of the work-from-anywhere model) rather than just a short-lived boost. The magnitude of the secular trend may still yet to be fully baked into the stock, despite the now hefty multiple. As such, millennials may wish to place a bet over the likes of a Bitcoin if they seek superior results over the long run.

You see, unlike toilet paper, tissue products, or any other necessity that was temporarily hoarded during the pandemic, the demand for innovative cost-saving or productivity-enhancing platforms is unlikely to experience demand revert to the mean abruptly.

Docebo is making a name for itself and is a prime acquisition candidate for a firm that's looking to double down on the digital transformation trend.

Salesforce.com is one such firm that appears to be going all-in on the work-from-anywhere shift. I think many enterprise companies will follow suit, and Docebo, I believe, would be a magnificent complement to a more comprehensive enterprise software suite.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. TSX:DCBO (Docebo Inc.)

PARTNER-FEEDS

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

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date
2025/07/07
Date Created
2021/07/30
Author
joefrenette