Forget SPACs: Invest in These 2 Growth Stocks Instead

Description

At this rate, Special Purpose Acquisition Companies (SPACs) may define the stock market in the 2020s. For those that aren't familiar, SPACs are essentially shell companies that are established to raise money and bring companies to IPO. From 2009 to 2016, SPACs accounted for no more than 12% of all IPOs in the United States.

default watermark

However, there has been a sharp increase in SPAC IPOs over the past few years. In 2020, out of the 450 IPOs in the United States, 248 were SPACs. This represents 55% of all IPOs that year. In 2021, SPACs have represented 64% of all American IPOs. Although it's true that everyday investors can find great returns when investing in these companies, they are also incredibly risky. There are many retail investors that have lost six, even seven-figure investment portfolios when SPACs weren't able to deliver.

With that said, wise investors should choose to look for more established companies with attractive growth profiles. Doing so would minimize risk, while still providing high amounts of growth. In 2021, investors should forget SPACs and invest in these two growth stocks instead.

This stock has a history of rewarding shareholders

If you're looking for a stock that can beat the market, consider investing in **Shopify** (TSX:SHOP)(NYSE:SHOP). Shareholders that got in early are sitting on tremendous gains, driven by Shopify's nearly 5,300% return since May 2015. Some investors may be turned off by those returns, thinking Shopify's best days are behind it. However, that couldn't be more wrong. We're still experiencing a massive shift towards e-commerce, and Shopify is helping lead the way.

Shopify's goal is to make commerce better for everyone. That includes everyone from first-time entrepreneurs to large-cap companies like **Netflix**. This large addressable market is one of the most appealing aspects of an investment in Shopify. As ecommerce continues to expand (and we know it will), the presence of Shopify will be felt across all fronts. In its two most recent quarterly presentations, Shopify reported year-over-year increases in revenue of 110% and 57%, respectively. This is one stock that could keep making you richer for many years.

Don’t sleep on this company

As the e-commerce industry continues to grow, so will the digital payments industry. In fact, if you look at the revenue numbers of any of the top payment-processing companies, you’ll be able to see that those businesses are doing much better today than at any other time in history. In Canada, **Nuvei** (TSX:NVEI) is the leading player within that space. It provides an omnichannel payments platform to businesses in 200 global markets. Its platform accepts 470 payment methods, 150 currencies, and 40 cryptocurrencies.

Nuvei made headlines after its first day of trading when it closed the largest tech IPO in Canadian history. Since then, Nuvei stock hasn’t missed a step. It has continued to climb and now trades 182% higher than its closing IPO price. Led by its founder, Nuvei seeks to grow organically and through strategic acquisitions in hopes of becoming a leader in its industry. This is a stock that investors should greatly consider for their portfolios.

CATEGORY

1. Investing
2. Tech Stocks

default watermark

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify 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. jedlloren
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/09/12
Date Created
2021/08/17
Author
jedlloren

default watermark

default watermark