3 TSX Stocks I’m Buying Next

Description

The key to achieving financial independence is to invest consistently. That means investing whenever you’re able to. If that means every other week, or even once a month, you’ll see your portfolio increase significantly over the long run. Say, for example, that you started investing $1,000 a month today for the next 20 years. At a 6% return rate, your portfolio would be worth more than $450,000. Investing in companies that could increase your return rate will help speed your savings up. In this article, I’ll discuss three stocks I’m buying next.

This is my top TSX stock

It doesn’t matter if the question is “Which **TSX** stock am I most bullish on?” or “Which TSX stock makes up my largest position?” The answer would be the same. Despite **Shopify** (TSX:SHOP)(NYSE:SHOP) already being one of the largest positions in my entire portfolio, I could still see myself getting more shares in the future. I believe the e-commerce industry still has a lot of room to grow, judging by current e-commerce penetration around the world. As it continues to grow, expect Shopify to become even more valuable.

Shopify may cause many Canadians to experience home bias. This is when we feel a company is much better than it actually is because it comes from the same place we do. However, a deep dive into the company’s financials suggests that Shopify is actually a very impressive growth stock. In its latest earnings presentation, the company reported a 57% year-over-year increase in its quarterly revenue. Its monthly recurring revenue has also grown at a compound annual growth rate (CAGR) of 46% since Q2 2016. If I could only invest in one TSX stock, it would be Shopify.

There is a lot of momentum in this industry

When looking for top growth stocks to invest in, you need to be mindful of the sentiment of certain industries. Take 3D printing for example. There’s no doubt that it’s an amazing industry and that developments in that field, particularly in the area of 3D bioprinting, can help the world drastically. However, those developments are few and far between. That leaves overall market sentiment fairly negative toward 3D printing companies. As a result, those stocks have fallen heavily since spiking in 2013.

In contrast, there seems to be a lot of support within the renewable energy industry. This is evident in the business world, but also in the political and scientific realms. As a result, companies operating in the renewable energy industry have seen their stocks rise over the past few years. Take **Brookfield Renewable Partners** for example. Over the past two and a half years, its stock has gained more than 150%. As investors continue to flock towards clean energy, expect Brookfield to continue growing.

The world will continue depending on these companies

It's hard to assume that a certain company's services will continue to be relied upon for years into the future. However, when you're talking about the services that the FAMANG stocks offer, it becomes really hard to imagine a world without them. For those that are unfamiliar, those stocks include **Facebook**, **Amazon**, **Microsoft**, **Apple**, **Netflix**, and **Alphabet** (Google). It's very likely that unless you're off backpacking or doing another activity that puts you off the grid, you'll need at least one of those companies at some point during the day.

For most of history, if investors wanted to invest in those companies as a basket, there were two options. The first, and the more expensive option was to buy individual shares of each company. Obviously, that's not ideal for newer investors. The second option is to buy a broad market index. Often, investors would choose the **S&P 500** since the FAMANG stocks are very heavily weighted in that index. However, by doing so, investors would also be gaining exposure to many other companies that they may not want.

Fortunately, investors can now invest in the **Evolve FANGMA Index ETF**. This is the world's first ETF that holds *only* the FAMANG companies. This is a newer position in my portfolio, due in large part to the fact that the ETF only started trading in May. This is an easy position to put future money into, as the world will continue to rely on these six companies in the future.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. 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. arosenberg
2. jedlloren

Category

1. Investing
2. Stocks for Beginners

Date
2025/09/12
Date Created
2021/09/06
Author
jedlloren