



## This Black Friday, I'm Shopping for Stocks!

### Description

Black Friday is just around the corner, and I know what I'm buying: *stocks*.

While we all love the in-store deals we can get around Black Friday, the truth is that investments are usually better purchases than consumer trinkets. While we can never be sure that stocks will go on sale on any particular day of the year, Black Friday is as good a day to go shopping as any. With that in mind, here are some of my stock investing plans, as we head into Black Friday shopping season.

### Bank stocks: I'm buying

One category of stocks I'm bullish on for 2021 and 2022 is banks. Canadian bank stocks trade at rock-bottom multiples (usually 10 or 12 times earnings) and are set to produce solid profit in the year ahead. Both Canada and the U.S. are rumoured to be raising interest rates next year. Banks are among the few industries that can actually profit from higher interest rates. With higher rates come higher profit margins on loans. Most industries lose because of the higher interest rates, but banks win, as they are the ones originating loans.

This is one of the reasons why I have backed up the truck on **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) stock. As a bank that does business in Canada and the U.S., it is perfectly positioned to profit from the higher interest rates that are likely coming. TD is already growing at 56% year over year due to the economic recovery from COVID-19. A surge in profits from central bank rate hikes could take things to the next level, so this will be a [great stock to watch](#) for the remainder of this year and for 2022.

### The cheaper types of tech stocks

Another category of stocks I'm watching this year is "[value tech stocks](#)" — that is, tech stocks that are modestly valued, despite having strong growth. This year, I have heavily invested in stocks like **Meta Platforms** (NASDAQ:FB) and **Alibaba** ([NYSE:BABA](#)), mainly because they have a solid mix of growth and value characteristics.

Meta Platforms (formerly known as Facebook) put up solid growth in revenue and earnings, yet it trades at much lower multiples (about 25 times earnings) compared to other FAANG stocks. Next year, it's going to invest \$10 billion into its Metaverse ambitions, which could take earnings a bit lower. But the rewards if the investments pay off could be well worth it in 2023.

Alibaba is in much the same boat but is even cheaper. Trading at just 16 times earnings, despite 40% revenue growth, it's the very definition of a "growth-at-a-reasonable-price" play. Alibaba recently posted record Singles' Day sales numbers, yet the market is pricing it like it's going out of business. So, BABA is on my Black Friday shopping list.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:META (Meta Platforms Inc.)
2. NYSE:BABA (Alibaba Group Holding Limited)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:TD (The Toronto-Dominion Bank)

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