



## Cash Is Trash: 2 Stocks I'm Buying Now

### Description

In 2021, cash is trash.

Canada's most recent inflation reading was 4.7%, up from 4.1% earlier in the year. Every day, the dollar is losing purchasing power, and savings accounts don't pay near enough interest to make up for it. This is not the kind of environment where you want to be holding cash.

Fortunately, there are plenty of investments out there that could be well worth your while. Whether it's stocks, ETFs or real estate, there are plenty of assets that could deliver inflation-beating gains. Personally, I'm going with stocks for the remainder of 2021. In this article, I will share two stocks that I am investing heavily in at today's prices.

### Micron Technology

**Micron Technology** ([NASDAQ:MU](#)) is a tech company that [develops computer memory](#). It sells DRAM for smartphone chips and also SD cards and SSDs to consumers. Micron operates in a fairly competitive industry. There's no shortage of RAM makers out there, and industry competition leads to severe price pressure sometimes.

With that said, Micron has a solid position in the industry. It supplies memory to industry giants like **Apple**, and it has made many breakthroughs in memory speed that ensure potential buyers will remain interested. Micron Technology's most recent quarter was a huge beat, with 37% growth in revenue and an astounding 175% growth in earnings. If results like this continue into 2022, then we can expect huge appreciation in Micron stock, which is priced as if it were going out of business.

### TD Bank

**Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a bank stock I've held for a long time and am more bullish on now than ever. The bank's most recent quarter was a huge beat, with \$3.9 billion in adjusted earnings (up 30%).

There is reason for optimism that the strong earnings growth could continue into 2022. First off, TD is part owner of **Charles Schwab** ([NYSE:SCHW](#)), America's third-largest broker. The current quarter is seeing significant market volatility that could contribute to a big earnings boost from Schwab, which makes more money the more people trade. For brokers like Schwab, market volatility is a positive, because even if stocks are trending down, the frantic pace of trading means more money pocketed through bid-ask spreads. TD benefits from this trading in two ways: first, Schwab sends dividends to TD; second, TD reports Schwab earnings as part of its own through "equity in net income."

Additionally, TD could benefit from central bank interest rate hikes. Both the Bank of Canada and the Federal Reserve are set to raise interest rates in 2022. Once this happens, there will be potential for TD to earn more profit on loans. This isn't guaranteed to be the case — there have been periods when interest rates and bank earnings [moved in opposite directions](#) — but there is a chance of it happening. This is in contrast to non-bank companies, for whom higher interest rates are virtually guaranteed to eat into earnings.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:MU (Micron Technology, Inc.)
2. NYSE:SCHW (The Charles Schwab Corporation)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:TD (The Toronto-Dominion Bank)

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