2 TSX Stocks I'm Never Selling

Description

The stock market selloff is continuing to haunt investors, as high inflation and a surging interest rate environment are raising the possibility of a near-term recession. The **TSX Composite** benchmark has seen about 11% value erosion in 2022 so far after losing nearly 9% of its value in June alone. While these macro-level uncertainties might keep the market highly volatile in the near term, it doesn't mean investors start selling stocks in a panic. Selling stocks due to the fears of a crash is one of the biggest mistakes beginners make. And, as I always say, it's nearly impossible for anyone to predict a recession or a market crash.

In this article, I'll talk about two of the TSX stocks that I'd never sell and why.

Air Canada stock

After facing the heat of COVID shutdowns and restrictions on air travel in a previous couple of years, **Air Canada** (TSX:AC) stock started 2022 on a fairly positive note. AC stock rose by nearly 15% in the first quarter, but it couldn't sustain these gains for long.

In the second quarter, the prices of energy products, including jet fuel prices, skyrocketed to their multi-year highs due mainly to rising geopolitical tensions after a full-fledged Russian invasion of Ukraine. In addition, rising inflationary pressures started hurting its bottom line. As a result, Air Canada stock tumbled by nearly 34% in the second quarter, erasing all its gains from the previous quarter. The stock now trades with nearly 15% year-to-date losses at $17.68 per share.

Despite all these negative factors, I wouldn't dare to sell AC stock mainly because its overall long-term business growth outlook still remains positive. While the ongoing macro concerns might delay its post-pandemic financial recovery, its stock has the potential to stage a big rally in the coming months if travel demand continues to surge.

Shopify stock

Shopify (TSX:SHOP)(NYSE:SHOP) is the second TSX stock I'd never consider selling. This Canadian stock currently trades at $44.23 per share after losing nearly 74% of its value this year so far. Although it has been one of the worst-performing TSX Composite components in 2022, it has a very high potential to come out as a big winner in the coming years with the help of its solid long-term financial growth outlook.

Earlier this year, the Canadian e-commerce giant guided that its year-over-year revenue-growth rate is likely to decline in the ongoing year, as the COVID-driven surge in its demand continues to subside. However, this guidance was not surprising, as you can't expect global pandemic-driven demand to continue benefiting Shopify even in the post-pandemic era. Moreover, these factors are unlikely to have any major negative impact on Shopify's long-term sales growth outlook as it continues to expand its customer base and innovative services portfolio.

Given these factors, I find SHOP stock to be way too undervalued at the moment when it's down more than 70% this year. In fact, this dip could be an opportunity for long-term investors to buy this amazing growth stock at a big bargain.

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