



These U.S. Stocks Are a No-Brainer Addition to Your Portfolio

Description

Canadians should make sure to add U.S. stocks to their portfolios. This is because [investing in international stocks](#) could benefit your portfolio in several ways. First, it provides investors with growth opportunities that aren't present in Canada. In addition, it allows investors to seek additional stability in their portfolios by way of geographic [diversification](#). If you've never invested in companies that operate south of the border, don't worry. Here are three no-brainer additions to your portfolio!

One of the biggest companies in the world

If you've ever used a computer or laptop in your life, there's a very good chance you'll have used a **Microsoft** ([NASDAQ:MSFT](#)) product at one point or another. That list of products is quite substantial with Microsoft Windows, Microsoft Office, Azure, and Xbox perhaps being the most recognized names. This company's presence within the global tech industry is massive. It's estimated that Microsoft holds a 73% share of the operating systems market.

In the fourth quarter (Q4) of 2022, Microsoft reported US\$59.1 billion in revenue. That represents a year-over-year (YoY) increase of 12%. The company stated that its cloud platform was the main driver of revenue growth for the quarter. It saw a 25% YoY increase in commercial bookings, which resulted in a 28% YoY increase in revenue for that business segment.

This retailer reminds me of tech companies

I look at **Costco** ([NASDAQ:COST](#)) in the same way that I look at tech companies. This is because, unlike other retailers, most of its revenue comes from recurring payments. Costco's business model heavily relies on its membership fees, which is a very intelligent way to generate stable revenue regardless of what the economy looks like. It also allows Costco to offer the cheapest prices to consumers, since it doesn't need to mark items up as high as other retailers.

As of the end of 2021, there were 828 Costco locations across 12 countries. That geographic diversification provides Costco's business with a lot of stability. In Q3 2022, Costco reported US\$51.61

billion in sales. That represents a 16.3% YoY increase. With a membership renewal rate of 89%, I expect Costco to remain in a very strong position for many years.

Very few companies have a footprint as large as this one

Although it isn't the largest company with respect to market cap, very few companies in the world dominate its industry like **Disney** ([NYSE:DIS](#)) does. To put its dominance into perspective, consider that most things you watch on the television are likely Disney productions. It owns the entirety of ABC, Touchstone Pictures, Marvel, Lucasfilm, and Pixar. Disney also holds a majority stake in ESPN and 50% shares of the History Channel and Lifetime.

In Q3 2022, Disney reported a 26% YoY increase in revenue. The company also reported that it now has 152.1 million Disney+ subscribers, which is an incredible feat considering the service was released less than [three years ago](#). Over the past year, Disney stock has fallen about 38.5%. However, I find it hard to believe that Disney would ever face long-term financial issues considering how important it is to the global media industry.

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3. NYSE:DIS (The Walt Disney Company)

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Date

2025/07/27

Date Created

2022/09/02

Author

jedlloren

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