



TFSA Investors: 2 U.S. Stocks I'm Never Selling

Description

The Canadian stock market is skewed towards banking and energy stocks, and the technology stocks are mainly software stocks. This limits your chance to be a part of the future growth story of artificial intelligence (AI) and electric vehicles (EV). But your Tax-Free Savings Account (TFSA) allows you to invest in the U.S. stock market, creating opportunities for you to invest in [semiconductor](#) and automotive stocks.

Two U.S. stocks to buy and never sell

The U.S. markets are known for their tech stocks. It could be beneficial to buy into the things the market is famous for.

"The best thing that happens to us is when a great company gets into temporary trouble. ... We want to buy them when they're on the operating table."

[Warren Buffett](#)

NVIDIA stock

Among tech, **Nvidia** ([NASDAQ:NVDA](#)) is my choice for many qualitative and fundamental reasons. If you look at the near-term fundamentals, the company could see a 22% revenue dip, as tensions between the United States and China escalate. Nvidia supplies the most advanced graphic processing units (GPU) for gaming, AI-data centre, autonomous cars, and industrial visualization. It powers 70% of the world's supercomputers.

The Biden administration has [imposed curbs](#) on AI chip exports to China, one of Nvidia's largest end-markets, accounting for almost 25% of its revenue. Nvidia estimates that the restriction will wipe out US\$400 million in the third-quarter revenue and leave uncertainty around the future data centre and automotive sales. This comes after the crypto bubble burst pulled down gaming GPU revenue. The looming recession is also slowing PC sales.

All these factors remind me of the year 2018 when the last crypto bubble burst and PC sales slowed. It was also the year known for the United States-China trade war. At that time, Nvidia's sales fell in the second half of the year, and the stock price fell by 52%. History is repeating itself. Nvidia stock is down 60% from its November 2021 high and is close to being oversold. It could fall further, as investors price in lost sales from China.

But the global supply disruption does not impact Nvidia's long-term growth prospects from its advanced GPUs that are instrumental for autonomous cars and the Omniverse. Its products are designing the future, and this qualitative aspect could drive the stock to new highs in the long term. The stock surged 780% in three years after bottoming out on December 28, 2018. It has done it in the past and can do it again.

Tesla stock

Another U.S. stock I would buy and hold in any dip is the EV leader **Tesla** ([NASDAQ:TSLA](#)). Its chief executive officer Elon Musk is known for his visionary ideas to change the world. After all, Tesla commercialized EVs and is now firing all cylinders to commercialize robotics. The company faces several short-term headwinds. The global supply chain disruption and rising raw material costs have impacted EV production in Texas and Germany. Moreover, covid restrictions in China have impacted production at its Shanghai facility.

But these headwinds do not affect its long-term growth prospects from the EV revolution. If you look at the broader picture, there is a significant value. Tesla is an unmatched leader in EVs and is expanding into the semi truck and the cybertruck pickup model. The company is also exploring lower-priced EVs to boost adoption.

Tesla is adopting a 360-degree approach to reduce EV costs. It is evaluating an option to refine lithium hydroxide (a key raw material for EV batteries) in Texas. If the refining is successful, it could begin commercial operations by the fourth quarter of 2024. It is also developing a labour-saving robot Optimus to reduce production costs.

Tesla is also monetizing the demand for green electricity by ramping production of battery storage and solar systems sold separately to customers.

Tesla stock has surged 1,200% in four years and still has a significant upside. If you look at the stock 10 years later, the US\$300 price might look like a bargain.

CATEGORY

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2. Tech Stocks

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