Got $2,500? 2 Top Stocks That You Can Buy and Hold for a Lifetime

Description

You don't need a fortune to top up your portfolio amid the bearish dip. With a sum of around $2,500, you have more to get started while the markets continue to be volatile. Undoubtedly, it's tempting to reach for the falling knives in hyper-growth stocks. They may appear to be the best deals in this market. However, given how quickly analysts how lowered their price targets and recommendations over the past year, it's remarkable that the many names that have lost 50-95% of their value are not expected to double up or regain meaningful ground anytime soon.

Indeed, many battered hyper-growth plays are likely to deliver very modest recoveries. That is, if they recover at all in this era of higher interest rates. Indeed, the blow of high rates has been more devastating to the companies that aren't yet profitable. As layoffs sweep through various firms, profitability prospects could improve, but at the expense of sales growth. Indeed, high rates have been an incentive for many firms to take control of their underlying economics, rather than growing the top line at all costs.

What stocks are worth buying and holding for a lifetime?

Many tech firms will fail the test that is higher rates. However, many will also come through and they may just live to see new highs again. However, investors shouldn't chase recovery gains. During the dot-com bust, many of those who jumped into the deep end with imploded tech stocks drowned in continued losses, as many unworthy tech stocks continued to sink into a seemingly never-ending abyss.

In this piece, we'll look at one hyper-growth stock that I think will see better days again. In addition, we'll check out one defensive stock that can help balance out risks to be had with hyper-growth names at this critical market turning point.

Without further ado, consider **Shopify** (TSX:SHOP) and **Fortis** (TSX:FTS): two very different companies that can help new investors balance out risks.

Shopify

Shopify is one of the most innovative companies — not just in Canada but the world. Indeed, Shopify made a big splash when it went public on the TSX back in 2015. Though shares imploded, shedding more than 80% of their value from peak to trough, they're still up more than 222% over the past five years. Indeed, the recent meltdown in shares seems less horrific if you take a longer-term viewpoint.

Of course, for the many who bought within the last two years, it's been nothing but pain. However, I don't think the pain trade will last forever. The stock is hard to value after recent layoffs, acquisitions and big changes going on behind closed doors. Regardless, I think Shopify has all the traits of a secular growth play. Yes, 2023 could be another setback. But looking through to 2030, I think Shopify will likely be in a much better spot, as it continues to use innovation to disrupt the e-commerce market.

The e-commerce market is huge, and there's still room to run. With strong managers and great innovations, one has to think Shopify will continue to be a winner. The lack of a price-to-earnings (P/E) multiple may be concerning to some. However, I think SHOP stock is a worthwhile long-term bet for those willing to brave severe choppiness.

Fortis

To balance out a risk-on name like Shopify, Fortis seems like a great name. Indeed, you're getting a resilient utility with a rock-solid 4.04% dividend yield at a fair 20.7 times trailing P/E. The stock hasn't done much in the past four years, other than jumping around the $50-$60-per-share range for most of the time. Regardless, the low 0.18 beta (below one means less volatile than the TSX) makes it a top volatility fighter for your portfolio.

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