The Best TSX Stock to Invest $1,000 in Right Now

Description

Stock markets have been on the uptrend of late, but investors shouldn't expect a smooth upward ride from here. Undoubtedly, new investors should always expect volatility as a part of the deal. Over the near term, markets can go in either direction. With a recession still on the horizon and rates that could continue to act as a drag on earnings, sticking with a more value-conscious mindset could be the strategy to stand by, as bargains become somewhat less abundant.

In this piece, we'll have a look at two intriguing TSX stocks I'd consider putting $1,000 into right here, as we hit the midpoint of February and the first quarter of 2023. Indeed, $1,000 isn't a huge sum to put in markets. But for those wary of chasing a huge rally (many stocks are up double digits year to date!), I think dollar-cost averaging (DCA) into some of your favourite value names is a great game plan. DCA entails buying a partial position of a stock on your radar today with the intention of buying another portion over time or at lower prices following a potential pullback.

Undoubtedly, DCA isn't magic. It merely takes time out of the equation, allowing you to concentrate less on market timing and more on analyzing the fundamentals of a business.

Averaging into TSX stocks with newfound momentum

Nobody wants to run the risk of being late to the party. DCA is a great way of acknowledging that you have no idea if you're getting the best price at any given time. As a long-term investor, I find more comfort in buying in $1,000 increments. That way, I'll relish the next market pullback, rather than dreading it. Further, a DCA strategy can also lessen second-guessing when a stock purchase heads south in a hurry.

Without further ado, consider **Shopify** (TSX:SHOP): one choppy name that may make good use of a DCA approach given its past-month run.

Shopify: Still on the cutting edge of innovation

Shopify is an e-commerce darling that suffered a massive drop that saw shares shed more than 80%

of their value from peak to trough. Undoubtedly, the big 2022 loser has been a major winner on a year-to-date basis, surging over 33%. That's a big gain for just a month and a half. While there's still room to run, as tech continues to move on, I think chasing the bounce could entail a high risk of being on feeling a huge hit come the next pullback.

I have no idea when the next pullback will strike. Regardless, inching into the Shopify waters with a small $1,000 investment at this juncture may seem wise. So, if Shopify's rally does cool, investors planning to buy more will be able to average down their cost basis.

Shopify is still a top innovator, even if it's in a tough spot following recent layoffs. The company has been announcing new product offerings, including product description tool Shopify Magic. Indeed, such a tool makes good use of artificial intelligence innovation. As the firm continues innovating, I think the path of least resistance is higher. However, be mindful of volatility in a stock with a 1.97 beta (way more volatile than the TSX).

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. joefrenette
2. kduncombe

Category

1. Investing

Date
2025/06/27
Date Created
2023/02/16
Author
joefrenette