



2 Stocks to Hold for the Next 10 Years

Description

It is no secret that growth investors are hoping to find the next big stock in the market. One of the best ways to look for a stock with that sort of potential is to investigate industries that are set to boom in the near future. I believe that the e-commerce and digital payment spaces are two of the most exciting industries today.

Companies that end up winning in these two spaces should continue to beat the market for the foreseeable future. Which two companies should Canadians buy to hold for the next 10 years?

This is a top e-commerce company

If you were to look at my portfolio, it would be clear that my biggest bets are placed on the e-commerce industry. Although we have seen some companies in this industry explode this year, I think that we are still very much at the start of the growth story for these companies.

The global e-commerce industry accounted for \$1,336 billion in sales in 2014. Last year, that figure had jumped to \$3,535 billion, representing a 2.6 times growth over that period. By 2023, it is expected that global sales will reach \$6,542 billion.

Even with the staggering increase in revenue, e-commerce penetration is still very low. In Canada, online sales accounted for 2.4% of all retail sales in 2016. By 2019, online sales had grown to account for 4.0%. [In the United States](#), online retail accounted for 16.1% of all retail sales in Q2 2020. If that's any indication of where Canada may be headed, the evidence suggests that the growth runway for e-commerce companies is still very long.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is, without a doubt, the best player to choose in this space among Canadian companies. It provides online merchants with a space to operate their business. While many of these companies are small- and medium-sized businesses, Shopify does have some larger names listed as customers. Notable companies that use Shopify's platform are **Tesla**, **Turtle Beach**, and Gym Shark.

The war on cash is heating up

The second industry that appears set for high growth over the next decade is the digital payments industry. Companies such as **PayPal**, **Square**, and **Visa** are helping lead the way in making cash transactions obsolete. However, there are other companies such as **Adyen** that enable companies to accept digital payments online, mobile, or otherwise. In Canada, **Nuvei** ([TSX:NVEI](#)) is the [frontrunner in this space](#).

The digital payments industry is very intriguing to me because of its large market size. The global digital payment space is expected to grow from the current \$79.3 billion USD to \$154.1 billion USD in 2025. That represents a compound annual growth rate of 14.2%.

A company like Nuvei is also very interesting because of its smaller size, relative to its competitors. While companies like the aforementioned Adyen are listed at a market cap of about \$60 billion, Nuvei currently sports a \$2 billion market cap. If Nuvei is able to reach levels anywhere close to Adyen's current size, investors will be greatly rewarded.

Foolish takeaway

The e-commerce and digital payments spaces both present excellent investment opportunities. I believe Shopify and Nuvei are clear leaders in their respective industries. Because of this, both companies should continue to reward shareholders over the coming decade. These are two companies that should be considered as investments for the next 10 years.

CATEGORY

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2. Tech Stocks

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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:SHOP (Shopify Inc.)

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Date

2025/07/05

Date Created

2020/10/21

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