2 Top TSX Stocks to Load Up on Before the End of the Year

Description

After suffering a drop of more than 30% in just over one month earlier this year, the Canadian market is now back to similar price levels that it was at in early 2020. Investors have experienced all kinds of volatility this year, and it's very possible that that will continue, at least in the short term.

Positive news surrounding potential COVID-19 vaccines launched the market into a strong bull run throughout November. But with social-distancing regulations still largely in effect in most areas across Canada, investors may need to temper their expectations.

We saw a whole list of tech stocks reach all-time highs in the month of November. The positive vaccine news acted as the primary catalyst for many of those stocks. We haven't seen all stocks rebound, though.

Shopify (TSX:SHOP)(NYSE:SHOP) and **Fortis** (TSX:FTS)(NYSE:FTS) are two top TSX stocks trading below all-time highs today. Neither of the two stocks had a particularly strong month of November either.

The drop in share price of the two stocks is an excellent buying opportunity for any long-term Canadian investor. The two companies are polar opposites, which is why you don't need to decide which of the two companies to buy. Just pick up shares of both.

Shopify

Valued at a market cap of $160 billion, Shopify is doing all it can to remain as Canada's largest company. Earlier this year, it had a clear lead in market cap size over **Royal Bank of Canada**. Today, the two companies are valued at approximately the same size.

Shopify is trading today at roughly 10% below all-time highs. Even with the gradual decline that started in early October, the stock has more than doubled since the beginning of the year. Over the past 12 months, the stock is up almost 200%.

Growth has been off the charts for the e-commerce giant, which is reflected in the company's valuation. The stock trades today at a very expensive price-to-sales ratio of 60.

The valuation may be high, but that shouldn't come as a surprise. Shopify has put up back-to-back quarters of close to 100% growth in revenue. Growth like that will come at a cost for investors.

If you're able to stomach the short-term volatility that will likely not be slowing down any time soon, then you'll be glad you picked up shares of this tech stock while it's trading at a very rare discount.

Fortis

This utility stock is a perfect investment to pair with a higher-growth stock, such as Shopify. Fortis can provide a much more stable return in both the short and long term.

The company also pays a dividend, which Shopify likely will not provide to investors for many more years. It's also worth noting that the annual dividend of $2.02 per share is equal to a yield of close to 4% at today's stock price.

The utility stock might not be delivering quarterly growth of 100%, but there's a strong track record of driving market-beating growth for investors. Fortis stock is up almost 45% over the past five years in comparison to the Canadian market's return of 30%. That's not even including Fortis's 4% dividend.

Not only can Fortis provide market-beating growth, but there's a certain level of reliability that investors can count on during inevitable market crashes. Consumers cut all sorts of expenses during market downturns, but the utility bill is typically not the first to go.

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2. Tech Stocks

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TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:FTS (Fortis Inc.)

4. TSX:SHOP (Shopify Inc.)

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