

Stock Market Report

February 2021



2 STOCKS TO WATCH DURING THE 1ST WEEK OF MARCH

SQUARE INC.



Another top fintech company on the radar now would be Square. Aside from its Bitcoin-related services, the leading fintech player does bring a lot to the table.

Whether it is financial solutions, merchant services, or mobile payment, Square's offerings compete with the best in the field. For the uninitiated, the company markets software and hardware payments products to businesses of all sizes.

At the same time, its consumer-focused digital payment ecosystem, Cash App, has also seen mind-blowing growth in the past year. **Square reported having 30 million monthly active users on the app which generated over \$2 billion in revenue in its recent quarter.**

Seasoned investors would be familiar with the meteoric rise of the company. Indeed, SQ stock has and continues to impress with gains of over 200% in the past year.



SHOPIFY



Shopify stock has declined 12% in the last two weeks after rallying 33% ahead of its earnings. The company's management believes that the growth will return to the pre-pandemic level in 2021, as there is no other catalyst that can accelerate its growth. One factor that will work in its favour is economic growth. As the economy recovers in 2021, consumer spending will surge, thereby increasing transactions happening on the Shopify platform.

If you look at Shopify's pre-pandemic growth, it was pretty good. In 2019, its revenue and gross merchandise volume (GMV) **rose 47% and 49%**, respectively. If you look at the stock's growth, it surged at a compounded annual rate of 65% between 2015 and 2019, with a 186% surge in 2019. If you had invested \$10,000 in Shopify at the start of 2015, it would have become \$330,000 by the end of 2019. This is the stock's normal growth, excluding the effect of the pandemic.

Even if I take a conservative estimate that Shopify stock's growth will halve in the next five years, **that is a 1,800% rally.**

Putting this growth in dollar terms, \$10,000 invested today can convert to \$190,000 in five years.

If the stock has that much growth potential, why do we say you should add it to your watch list? Because it is expected that the stock will fall further to \$1,400 in March, as people cash out some profit to pay their taxes.



Source: finviz

BIGGEST MOVERS FEB 2021



GameStop

GameStop remains on watch after another Reddit-fueled surge Wednesday in the video game retailer's shares, as well as other so-called "Reddit stocks" like BlackBerry (BB), AMC Entertainment (AMC) and Koss Corp. (KOSS). GameStop surged **55.8% premarket, while AMC rose 12.9%, BlackBerry gained 4.3% and Koss soared 81.3%.**



BestBuy

Best Buy (BBY) – The electronics retailer's shares fell 5.3% in premarket trading after its revenue and comparable-store sales missed Wall Street forecasts for the holiday quarter as pandemic fueled demand for electronics lessened. Best Buy's quarterly earnings of **\$3.48 per share beat estimates by 3 cents a share.**



Moderna

Moderna (MRNA) – The drugmaker's shares rose 2.9% in premarket action as its quarterly revenue vastly exceeded estimates and it forecast **\$18.4 billion in Covid-19 vaccine sales this year.** Moderna did, however, report a quarterly loss of 69 cents per share, wider than the 35 cents a share loss that analysts were anticipating.



Wayfair

Wayfair (W) – The furniture and home goods seller earned \$1.24 per share for its latest quarter, above the consensus estimate of 86 cents a share. Revenue was slightly below Wall Street forecasts, as were the number of orders and the shares fell 9% premarket



Norwegian Cruise Line

Norwegian Cruise Line (NCLH) – The cruise line operator's shares rose 1.9% in the premarket after quarterly revenue came in well above estimates, despite the Covid-19 related shutdown of cruises. Its loss of \$2.33 per share for its latest quarter was slightly wider than the consensus estimate of a \$2.17 per share loss.



ViacomCBS

ViacomCBS (VIAC) – ViacomCBS came in 2 cents a share ahead of estimates, with quarterly profit of \$1.04 per share. Revenue essentially was in line with Wall Street forecasts. The company also said it had 30 million streaming subscribers, ahead of its planned March 4 launch of Paramount+ service that will replace the current CBS All Access service. Its shares dropped 2.8% in premarket action.



Pfizer

Pfizer (PFE) – The Covid-19 vaccine developed by Pfizer and BioNTech (BNTX) works equally well across all age groups, according to an Israeli study. It provided 94% protection against developing coronavirus symptoms a week after the second dose of the vaccine, and 92% effective in preventing severe disease.



Verizon

Verizon (VZ) – Verizon was the top bidder in a government auction of 5G airwaves, **spending \$45.5 billion, while AT&T (T) bid \$23.4 billion and T-Mobile US (TMUS) bid \$9.3 billion.**



Nvidia

Nvidia (NVDA) – **Nvidia reported quarterly earnings of \$3.10 per share, compared to a \$2.81 a share consensus estimate.** The company best known for its gaming chips saw revenue beat estimates as well. Nvidia also predicted strong revenue for the current quarter, but the shares were down 2.6% in pre-market action.

BEST STOCKS AS OF FEB 2021

Symbol	Company Name	Price Performance (This Yr)
VIAC	ViacomCBS Inc.	40.45%
DISCA	Discovery Inc.	39.98%
DISCK	Discovery Inc.	33.64%
KMX	CarMax Inc.	23.77%
GM	General Motors Co.	23.70%
F	Ford Motor Co.	23.21%
IVZ	Invesco Ltd.	22.78%
WBA	Walgreens Boots Alliance Inc.	22.44%
FLIR	FLIR Systems Inc.	21.79%
SWKS	Skyworks Solutions Inc.	21.53%
LUMN	Lumen Technologies Inc.	20.72%
LLY	Eli Lilly and Co.	20.32%

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ILMN	Illumina Inc.	19.83%
FANG	Diamondback Energy Inc.	19.79%
OXY	Occidental Petroleum Corp.	17.79%
SIVB	SVB Financial Group.	17.71%
AMAT	Applied Materials Inc.	17.28%
MOS	Mosaic Company	16.73%
EBAY	eBay Inc.	16.36%
LH	Laboratory Corp. of America Holdings	15.16%

Source: ycharts