THE ULTIMATE MONEY MAKING GUIDE FOR 2019

18 WAYS TO MAKE THIS YOUR MOST PROFITABLE YEAR EVER

MONEY MORNING

WE MAKE INVESTING PROFITABLE

Contents

Introduction:

2019 Will Bring Unprecedented Moneymaking Opportunities

Here at ***Money Morning***, we have one goal: to make investing profitable.

In 2018 alone, our readers had the chance to book gains of 333%, 440%, and even 478% on stock trades that came from our research.

We also kept our readers at the forefront of the hottest investing trends, like cannabis legalization. After we told ***Money Morning*** subscribers about top cannabis pick Tilray Inc., the stock soared 262%.

But you wouldn't know these opportunities were out there from listening to mainstream financial news…

Cable news focused on the trade war as major indexes struggled to stay in the black. And Wall Street pundits couldn't stop talking about the evils of Facebook as it slid 24% this year.

And they will continue their obsession with market volatility as we head into 2019.

Despite what they'll tell you, this does not mean your gains are over.

There are companies and trades to make you money every day. You just need to know where to look.

So we did all the digging for you…

We've identified the BIGGEST profit opportunities of 2019.

Some are in explosive new sectors like 5G, a technology that could generate as much as *$1.3 trillion* in additional annual revenue (just for carriers!) by 2026. You can read all about the company that will benefit the most **on page 12**.

And we love our "wild card" stock that could surge 150% or more – get its name **on page 10**.

Of course, this guide wouldn't be complete if we didn't also take a look at the companies going public in 2019. We'll show you how to cash in on the IPO market **on page 22**.

While we're sharing 18 ways to profit in 2019, this guide wouldn't be complete without showing you which of Wall Street's darlings you should avoid. We'll show which trendy stocks don't belong in your portfolio **on page 52**.

Let's jump right in so you can make 2019 the most profitable year you've ever had.

Chapter 1:

The Seven "No-Brainer" Stocks to Buy in 2019 – Plus Our "Wild Card" Pick

From record highs to the largest single-day loss in the Dow's history, 2018 brought investors a little bit of everything.

That kind of uncertainty might scare some investors away from stocks. It's an understandable sentiment…

But sitting on the sidelines won't make you any money.

For those who want to own shares of strong businesses, we've found seven "no-brainer" stocks to buy now. These are stocks of well-run, profitable companies in must-have industries. They offer reliable growth potential no matter what the rest of the market is doing.

Here are seven stocks we love for the long term, along with our favorite "wild card pick"…

2019 Stocks to Buy, No. 7: Alibaba Group Holding Ltd.

Another year, another huge "Singles' Day" for Alibaba Group Holding Ltd. (NYSE:BABA).

Over the last decade, China's biggest online retailer has turned the anti-Valentine's Day tradition into the world's biggest shopping day of the year. This past November, Alibaba's $30.8 billion in sales for the day beat the previous year's number by 22%. And it absolutely dwarfed the $7.9 billion in Cyber Monday online sales for all U.S. retailers combined.

The days of living in the shadow of Amazon.com Inc. (NASDAQ:AMZN) are gone for Alibaba. With a market cap over $400 billion, it is one of a handful of global tech heavyweights.

And according to ***Money Morning*** Executive Editor Bill Patalon, Alibaba is a "single-stock wealth machine" – one you can buy and plan on holding for decades to come.

There was plenty of nail biting on Wall Street when it was announced in 2018 that Alibaba's visionary founder, Jack Ma, would be leaving the board in 2020. But in fact, the care with which Ma's succession has been handled only demonstrates what an exceptionally well-run company Alibaba is.

CEO Daniel Zhang, who will take over as executive chair in 2019, was the creator of the Singles' Day sales event. Since he took over as CEO in 2015, Alibaba became the first Asian company to pass $400 billion in market value and has emerged as one of the top 10 most valuable public companies in the world.

Even as Ma prepares to step aside, there's no reason to think the company will slow down. And between Alibaba's lean business model – it acts as a digital retail shelf rather than a warehouse – and rapid growth in Asia, this is the online retail giant with the most room to grow in the next few decades.

To give you an idea of the long-term growth you can expect, Bill Patalon says every share of Alibaba you buy – trading at about $165 at the end of 2018 – will be worth $2.1 *million* in four decades.

That's why Bill calls Alibaba "one of the single greatest wealth opportunities of our lifetime – meaning it's a stock you have to own."

2019 Stocks to Buy, No. 6: Grubhub Inc.

Following ***Money Morning*** Defense and Tech Specialist Michael Robinson's mantra that *every business is a tech business*, our next pick uses technology to connect traditional restaurants to consumers in a new way.

Food delivery has been a staple of American life for decades. But it's been difficult for many people to find delivery options other than pizza or Chinese food.

Enter Grubhub Inc. (NYSE:GRUB), a web- and mobile app-based delivery service started by two students at the University of Chicago Graduate School of Business in 2004. Since then, it has grown into a $13 billion juggernaut and leader in this new industry. That makes it a natural selection for our best stocks list.

Users can log into Grubhub and search the menus of a variety of restaurants in their area. Once they place their order – a simple click, with tip included – a third-party driver will go to the restaurant and deliver the food right to the user's door. No paper menus. No phone calls. No hassle.

And Grubhub keeps the user updated via text so they'll know when the order will arrive.

As of 2017, Grubhub's active user base had grown to nearly 15 million, almost double what it was the year before. And there's still room to capture a bigger market share. According to Statista, the U.S. restaurant industry is valued at about $800 billion, with 10% of that belonging to takeout.

Grubhub closed 2017 with an impressive 38% growth in sales, and in the third quarter of 2018, sales were up 52% from a year earlier.

Michael expects earnings per share (EPS) to continue to grow at about 30% per year – a conservative estimate. At that pace, the stock should double in price within the next two years.

Michael, by the way, can attest to the quality of the service. He and his wife are regular customers and are impressed enough with it to strongly recommend the stock.

"As millions of Americans join me and my wife in online ordering for takeout," he says, "the value of your holdings will keep rising for years to come."

2019 Stocks to Buy, No. 5: Expeditors International of Washington Inc.

You probably don't spend much time thinking about the logistics industry – comprising all those processes involved in getting a product or service from the producer to the consumer – but it is a huge business.

The Council of Supply Chain Management Professionals reported in June 2018 that annual spending on logistics in the United States had reached a record $1.15 trillion, or 7.7% of gross domestic product. That's up $250 billion from the total in 2008.

There are some giant conglomerates out there with large logistics technology divisions, such as Verizon Communications Inc. The problem in those cases is that logistics represents a relatively small portion of the overall enterprise, and shareholders can't pick and choose which parts of the company they want to invest in.

So we've got a pure play on logistics for you instead: Expeditors International of Washington Inc. (NASDAQ:EXPD).

Headquartered in Seattle, EXPD has 322 locations across six continents. It specializes in supply chain management for all kinds of industries, including autos, aerospace, energy, healthcare, retail, and technology.

Expeditors International works with clients to maximize productivity from order inception to delivery. That might include optimizing production, packaging, and shipment processes. Or it could mean handling shipping and customs: Expeditors has relationships with every major carrier by air, land, and sea.

Where this company really flexes its muscles, though, is in developing custom logistics software. That way, clients can take over the reins of the supply chain themselves, with an interface that works seamlessly with their specific needs.

The company boosted sales by 13.5% in 2017, up to nearly $7 billion. Its EPS for 2018 will be up by 33% if estimates for the last quarter hold up. And according to FactSet, earnings are projected to keep rising through at least 2020.

And as Michael Robinson explains, this is one company that doesn't have to worry about trade wars.

That's because warehouse space to store goods is at such a premium right now. According to CBRE Group Inc., industrial vacancies have been falling for 32 consecutive quarters.

With demand for space steadily outstripping supply, the companies tasked with moving the stock inside those spaces will have their hands full regardless of any intervention by governments in the next few years.

"Add it all up," Michael writes, "and you can see that Expeditors has the right tech tools at the right time. It's ready for a boom in shipping and logistics."

2019 Stocks to Buy, No. 4: Waste Management Inc.

While some investors are busy speculating on the next mobile app or wearable device, this stock keeps delivering steady gains by providing essential services that are constantly in demand.

After all, you're not going to stop throwing out your trash any time soon. And neither is anybody else.

For Waste Management Inc. (NYSE:WM), your trash is its treasure.

With more than 21 million customers, WM is the largest provider of waste management and residential recycling services in North America.

According to CSIMarket, Waste Management holds the largest market share in the United States for every major segment of environmental services – and a 37% share overall. That's compared with a 22% share for its top competitor.

But the moneymaking opportunities don't stop when the trash is picked up. WM is also a leader in converting trash to LNG fuel. In turn, that fuel can go into its truck fleet or even into natural pipelines or local electric grids.

In other words, Waste Management is not just a trash company. It's also an energy company.

It's solving one of humanity's more pressing problems – how to deal with a growing population using the same amount of space – by turning it into a new resource for communities and more profits for shareholders.

WM's dividend has increased for 14 consecutive years and currently yields a solid 2%. But that stable income generation hasn't kept WM from being a growth stock. The stock has risen 112.3% over the last five years, compared to 52.1% for the S&P 500.

Those gains worked out well for subscribers to Keith Fitz-Gerald's ***High Velocity Profits*** service.

Last November, Keith recommended a January 19 call option on WM. He recognized that it was a great stock, and an option trade allowed subscribers to put up a relatively small amount of money and enjoy big, fast gains if it did well.

That's exactly what happened. By the time the options expired, about two and a half months after the initial recommendation, they had gained 275% in value.

There's plenty more fuel to propel this stock upward in the coming months and years. And if you want to go for truly fast profits, a call option may be the way to go.

But if you'd rather have a stock you can hold onto forever – or as long as people keep producing trash – Waste Management is exactly that.

2019 Stocks to Buy, No. 3: Intuit Inc.

Nothing is certain but death and taxes. So naturally, the top provider of tax preparation software is one of the most dependable investments you can make.

But Intuit Inc. (NASDAQ:INTU) is much more than its wildly popular TurboTax software. Its QuickBooks software has long been a favorite of small businesses. And in 2014, it launched QuickBooks Self-Employed, tapping into an enormous and growing market.

As of late 2018, the United States was riding an impressive 95-month job creation streak. What's even more striking is that the freelance workforce – now accounting for $1.4 trillion annually – is growing three times faster than the overall labor force.

At this rate, according to a 2017 study by Upwork and Freelancers Union, freelancers will be a majority of the U.S. workforce by 2027.

Some of those new freelancers are making the switch out of pure entrepreneurial spirit, and some are simply adapting to economic realities. Either way, this trend puts Intuit, which already has 5.5 million small businesses and freelancers as customers, in an ideal position to serve this growing segment of the population.

"QuickBooks Self-Employed" is available at a very reasonable subscription price of $10 per month. It allows users to track every aspect of their finances, including mileage for work purposes, and to keep personal and business transactions separate along the way. And it can all be done seamlessly between the user's computer, tablet, and smartphone.

Upgrading to the $17-per-month package gives them TurboTax too, which is fully integrated into QuickBooks to make the user's yearly tax return a cinch. It will even calculate estimated taxes automatically over the course of the year.

Intuit's overall sales grew by 12% year over year in the first quarter FY2019, but EPS nearly tripled from $0.11 to $0.29.

As the workforce changes over the next decade and more, Intuit is going to be one of a small number of companies prepared to reap the rewards. That makes it one of the best stocks you can buy now.

"This is one of those dependable tech leaders that you can count on for the long haul," writes Michael Robinson, "to keep you squarely on the road to wealth."

2019 Stocks to Buy, No. 2: Nvidia Corp.

The autonomous vehicle market is expected to reach $54.2 billion in 2019, according to Allied Market Research. By 2026, it will be more than *10 times* that.

So it's no surprise that we'd have a play on self-driving cars on our list. But you might not know it's a company that used to be known for making graphics cards for video games.

Nvidia Corp. (NASDAQ:NVDA) has been transforming itself in recent years. Now it's a leader in all kinds of game-changing technologies, from cryptocurrency mining to virtual reality to artificial intelligence.

But perhaps most exciting is its Nvidia Drive AGX, a self-driving platform being installed in many auto models currently on their way to sales lots around the world.

That includes Volkswagen AG, which has put self-driving capabilities for all its cars in Nvidia's hands. And Drive AGX-equipped cars will be coming soon from Audi AG, Volvo AB, and Tesla Inc.

Nvidia's self-driving technology is not just for cars either. Trucks made by PACCAR Inc. are sporting Drive AGX, and so are fleet vehicles deployed by Deutsche Post AG.

A partnership with Daimler AG, which makes Mercedes-Benz autos, shows off even more of what Nvidia can do. The voice-activated Mercedes-Benz User Experience (MBUX) learns a driver's preferences over time and can make smart suggestions about music, directions, and various other settings in the car. It converses in plain language and features a beautiful 3D touchscreen display.

It's no surprise then that Nvidia's fortunes are skyrocketing. Sales have nearly doubled since 2016, and profits are on pace to jump more than 50% for the fiscal year ending in January 2019.

But as Michael Robinson says, Nvidia "hasn't even hit its stride yet." He sees shares rising 65% in 2019. And as self-driving technology takes over the automotive world, Michael says, "The sky is truly the limit."

That assessment is borne out by our ***Money Morning* Stock VQScore™ system**, which gave NVDA a top score. That indicates that it's undervalued and due for a rise.

2019 Stocks to Buy, No. 1: Apple Inc.

For years, Wall Street analysts have been wringing their hands over every little bit of bad news for Apple Inc. (NASDAQ:AAPL). Whether it's an earnings miss or a production slowdown or the specter of hitting "peak iPhone," there's always a reason for investors to jump ship.

And in late 2018, it *seemed* like they were finally right.

AAPL shares slipped 26% in October and November. That was due to a number of factors, including unimpressive iPhone sales, tariffs threatened by U.S. President Donald Trump, and the general downturn in the market.

But none of these are real long-term threats for Apple. In fact, this stock is still a great buy.

Customers have already demonstrated that they're willing to pay higher prices for new iPhones, keeping sales figures up even if the gadgets don't fly off the shelves at record-breaking speed.

More importantly, as Keith Fitz-Gerald points out, Apple is not a device company anymore.

That is, it's not unit sales of Apple devices that are driving the company's growth. It's the services Apple delivers to the devices people already own.

Sales of those services, including Apple Music, iCloud, and the App Store, have grown to an annual pace of $40 billion. And some projections have that surpassing $50 billion within the next year, even faster than CEO Tim Cook's ambitions.

Those service sales are largely what drove Apple's impressive 29% growth in EPS for the 2018 fiscal year. Not that it will stop the skeptics from chattering about the headwinds Apple faces. But by now, we're used to that kind of noise from Wall Street.

Michael Robinson expects AAPL – conservatively – to keep growing to $250 per share in the next couple years. And ***Money Morning's*** resident Apple expert, David Zeiler, puts it at $300 per share during the same period.

Also, just like Nvidia, Apple received a top score from our ***Money Morning*** **Stock VQScore™ system**.

Because of Apple's long-term performance and reliability, Bill Patalon considers it one of his "Accumulate" stocks. That means it's a stock you can keep buying more of year after year and keep gaining wealth from it.

But regardless of whether you buy it in installments or in one chunk, you should look forward to Apple's performance in 2019.

Now that you've seen our list of the best stocks to buy in 2018, you may have a few other questions about investing in stocks.

Now, let's get to our "wild card" stock to buy in 2019. This pick involves a little more investing risk, but could pay off handsomely…

"The Wild Card:" Canopy Growth Corp.

Some ***Money Morning*** readers have already seen big gains from our next pick. After ***Money Morning's*** Chief Investment Strategist Keith Fitz-Gerald recommended it last November, the stock price of Canopy Growth Corp. (NYSE:CGC) shot up 165% over the next year.

Over the same time, the S&P 500 was up just 8%.

That was Keith's first cannabis pick, as he recognized that the industry was entering the mainstream. Since then, recreational cannabis has become legal in Canada, and Canopy – the country's biggest grower – got a listing on the New York Stock Exchange.

Also, beverage giant Constellation Brands Inc. (NYSE:STZ) upped its stake in Canopy from $191 million to $4 *billion*.

Take that as a hint of what's to come. Cannabis-infused beverages aren't yet included in Canada's legalization, but they will be soon. And

Canopy is in a prime position to be among the biggest beneficiaries when the time comes.

In fact, beverages are a prime candidate to take over as the cannabis consumption method of choice for a number of reasons…

First, they are simply a more familiar option than smoking to many people. A Canadian government survey showed 77% of adult residents drink alcohol, but only 17% smoke.

And unlike alcohol, cannabis is calorie-free, giving drinkers an alternative that won't contribute to weight gain. (Researchers are currently working out ways to eliminate the infamous "munchies" experienced by some marijuana users.)

Plus, cannabis doesn't cause hangovers.

So Constellation and Canopy have a chance to attract not just cannabis users looking for new consumption methods, but also drinkers who want the kick without the side effects.

For the fiscal year ending in March 2018, Canopy more than doubled its revenue. And that's *before* Canada had legalized recreational cannabis. With one phase of legalization out of the way and more coming in the next couple years, this company is set to dramatically expand its business.

"If you want to make a profit on the booming cannabis sector," Michael Robinson says, "then I suggest jumping on board Canopy, where the opportunities and gains are seemingly endless."

Chapter 2:

The Only Stock to Own Ahead of the $1.3 Trillion 5G Revolution

"5G" could be the most important tech update of 2019 – also making it the most profitable for us investors.

5G is the next generation of mobile network technology. It will make data delivery *100 times faster* than 4G.

And there's no doubt 5G stocks will create a lot of winners over the next decade.

Swedish networking equipment maker Ericsson (NASDAQ:ERIC) estimated in a 2017 study that new 5G-based opportunities could generate as much as *$1.3 trillion* in additional annual revenue by 2026 just for carriers.

To help you make money on this opportunity, we answered our readers' top questions about 5G technology and the companies mastering it. And we found the best 5G stock to get into today.

Here's everything you need to know to profit...

What 5G Means for Tech Stocks

The "G" in 5G stands for the generation of wireless technology.

And this new generation of wireless technology will have three distinct advantages over its predecessors, which include:

- Greater speeds
- Lower latency (minimal delays in data processing)
- Ability to connect more devices

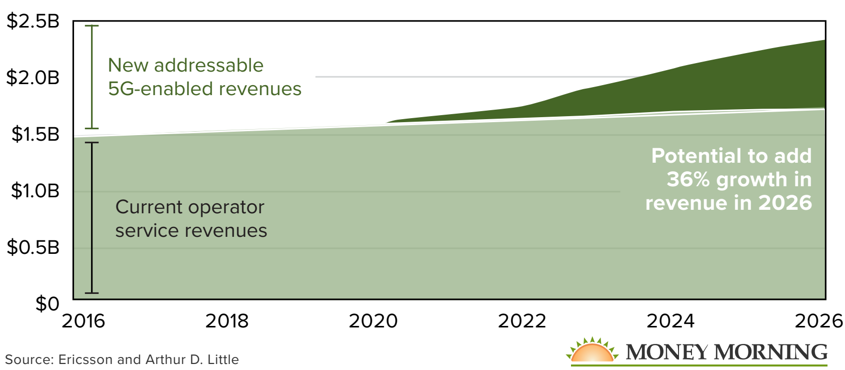
This type of technological advancement will be critical for a lot of budding industries, including one of our favorites: autonomous vehicles.

To safely navigate traffic, self-driving cars will need to "talk" with each other by sharing information. That type of constant back and forth will require a network like 5G, which can support the instant exchange of data. That's why 5G is so important – any processing delays for autonomous vehicles could lead to devastating accidents.

Plus, the potential new uses for 5G networks could add nearly $1 billion in growth to carriers over the next decade, too. Those uses include everything from high-speed internet available nearly everywhere to smart vehicles to an explosion of the Internet of Things (IoT)...

New Technology, New Opportunities

The rollout of 5G technology on the carrier networks is not just about better smartphone service. For the carriers, 5G opens up several lucrative new business opportunities in areas such as virtual/augmented reality and the Internet of Things.



Source: Ericsson and Arthur D. Little

Of course, the big question when it comes to data is whether 5G technology will work on our current iPhones.

Why Apple Is Missing the 5G Revolution

Apple isn't rushing to make a 5G phone. In fact, it could take until 2020 for Apple to make a 5G iPhone.

Right now, the cost of making one isn't worth it to Apple. It costs $21 to license 5G technology for a single smartphone, according to ***VentureBeat***. In comparison, the average cost for licensing a 4G device is just $9.60.

With Apple missing iPhone sales estimates for Q4 2018 (46.9 million sold versus expectations of 48.4 billion), Apple needs to squeeze every bit of profit it can out of the phones it does sell.

Spending more to license 5G technology doesn't fit its cost-cutting efforts right now.

Instead, Nokia, Ericsson, and Qualcomm Inc. (NASDAQ:QCOM) will be the biggest players in 5G licensing. They are operating within FRAND (fair, reasonable, and non-discriminatory) terms, which means one company can't try to muscle others out of the market with high licensing fees. That's great for innovators too, since tech companies relying on 5G speeds won't be squeezed out of the market.

That also means Apple will be able to dive into the market whenever it chooses to, which is all but inevitable once 5G becomes widespread.

But even if iPhones aren't ready to support 5G right now, there's no denying the profit opportunity for investors...

The Best 5G Stocks to Watch in 2019

As ***Money Morning*** Associate Editor David Zeiler said in May 2018, the obvious stocks to buy in this market are big U.S. carriers: AT&T Inc. (NYSE:T), T-Mobile U.S. (NASDAQ:TMUS), and Verizon Communications Inc. (NYSE:VZ).

AT&T plans to bring 5G to at least 19 cities in early 2019, according to its website.

T-Mobile planned to build out 5G in 30 cities in 2018, and Verizon turned on 5G services in Houston, Indianapolis, Los Angeles, and Sacramento on October 1, 2018.

AT&T and Verizon also pay healthy dividends above 4% as of December, which is a nice bonus for shareholders while they wait for the share price of each stock to appreciate from the 5G revolution.

However, we uncovered the best way to play this booming industry thanks to the ***Money Morning*** Stock VQScore™.

Derived from our proprietary stock valuation system, the VQScore identifies stocks with the highest breakout potential. A VQScore of 4 or higher puts a stock in the "Buy Zone." These stocks are trading at preferred prices and have the best chance of outperforming the S&P 500.

And the 5G stock that popped up on our screener is going to be a clear-cut winner in this market...

The Top 5G Stock to Buy in 2019

The 5G stock we love for 2019 is Canada-based Telus Corp. (NYSE:TU).

Telus claims to have the *fastest* wireless network in Canada. It provides everything from dial-up phone service to internet access.

And the company's growth is impressive…

Telus has seen steady revenue growth between 2% and 5% every year in the past decade, and it added 135,000 wireless, internet, and TV customers in Q2 2018.

Plus, Telus already has a leg up on the completion of its 5G network…

The higher speed and shorter range of 5G technology requires an extensive infrastructure of fiber-optic cable and a large distribution of smaller transmitters.

"Telus management had the foresight to embark on its generational fiber and small cell investment even before 2015," Scotia Capital analyst Jeff Fan wrote in a research report in February 2018.

Now, we don't expect 5G to go up in revenue until late 2019.

But there are two big reasons to buy shares of Telus right now.

First, Telus pays a dividend of $1.66 for a yield of 4.89%. The company is paying you to hold its stock while it becomes a leader in 5G.

The second reason to buy shares of Telus is because of the stock price projections even before 5G is in full swing.

As Zeiler wrote last May, "current FactSet projections put Telus' earnings per share at $2.48 in 2020. At a price/earnings ratio of 19 (about where it is now), that makes the TU 2020 price target $47. That's a 42% gain from the current share price of $33 – a nice pop for a telecom stock, and likely just a taste of the fat returns that 5G will bring."

Chapter 3:

How to Turn Water Scarcity into a 40%-Plus Gain

We are on the brink of a full-blown water crisis.

While Earth is covered with water, just 2.5% of it is fresh, "usable" water – what we need to drink, bathe, cook, and grow food.

To make things even more dire, only *1%* of that fresh water is easily accessible.

But there are companies working to fix this. From developing technology that can efficiently desalinate ocean water to tech startups tracking water usage, companies are working to find the next solution.

And owning shares of the company that develops the solution to the crisis is your ticket to growing life-changing wealth...

Water Will Never Go Out of Demand

The water crisis is a global issue. The United Nations World Water Development report for 2018 said that almost *six billion* people are likely to live in areas that will suffer water shortages for at least one month a year by 2050.

It's not just underdeveloped areas in trouble. The National Resource Defense Council rates drinking-water resources in major cities, such as San Francisco and Atlanta, as "fair to substandard."

If governments can't give people access to clean water, they will need to hire corporations to solve the problem.

Back in 2011, the U.S. Environmental Protection Agency released a report on the nation's drinking-water resources. The conclusion was it would take an investment of $384 billion over two decades to upgrade and modernize the U.S. wastewater and water systems.

This huge, looming investment is why one of the most successful investors has narrowed in on investing in water...

Michael Burry, the hedge fund manager who made roughly $1 billion betting against the housing market in 2008 (played by Christian Bale in the movie *The Big Short*), has been talking about investing in water for at least 15 years.

“Fresh, clean water cannot be taken for granted,” Burry reasoned in 2015.

But he warned that investing in water isn’t easy. For example, he said buying water rights – or land with fresh water access – is simply impractical. And unprofitable.

The real strategy is to buy companies that will make water more sustainable. And it shows in their share prices...

The leading water stocks have provided market-beating returns over the last five years (the Dow was up 61.78% during the same time):

- **California Water Service Group** (NYSE:CWT): **+95.02%**
- **Waters Corp.** (NYSE:WAT): **+97.29%**
- **Roper Technologies Inc.** (NYSE:ROP): **+133.73%**

So which ones do we like now?

Water Stocks to Watch in 2019

Looking ahead to the next best water stocks to buy, a great place to start is Canada. Canada is considered a freshwater-rich country.

Keep these Canadian water stocks on your radar:

- **Canadian Utilities Ltd.** (TSX:CU)
- **H20 Innovation Inc.** (TSXV:HEO)
- **BluMetric Environmental Inc.** (TSXV:BLM)

If you can't access foreign investments, there are fortunately plenty of water stocks traded on major U.S. exchanges. Better yet – some of them pay a dividend…

Five of the most well-known include:

Water Company	Ticker	Dividend	Yield
EcoLab Inc.	ECL	$1.64	1.3%
Connecticut Water Service Inc.	CTWS	$1.25	1.8%
Middlesex Water Co.	MSEX	$0.96	1.8%
American Water Works Co. Inc.	AWK	$1.82	2%
Consolidated Water Co. Ltd.	CWCO	$0.34	3%

But for a top water stock recommendation going in to 2019, take a look at one of our favorites...

The Best Water Stock to Buy for 2019

Our top water pick for 2019 is Xylem Inc. (NYSE:XYL). The company is a global player in the water market, covering all aspects of the industry.

When ***Money Morning*** Executive Editor Bill Patalon first recommended this water stock back in 2013, it was trading for $35 per share. At time of writing (January 3, 2019), it's up to $64 per share – an 83% gain in five years.

Don't worry if you missed these gains – this stock's growth is just getting started.

According to Patalon, Xylem is a great play because it deals with every stage of the water cycle with its five "growth sectors:" treatment, dewatering, transport, applied water systems, and analytics.

The company also offers data management, remote monitoring, and cloud-based analytics. This helps Xylem ensure water isn't wasted by being able to monitor usage in real time.

And Xylem's ability to make water usage more sustainable is exactly what makes it such a great play.

Xylem is based in New York, but it has operations and services that reach across Asia and Europe. On January 30, 2018, the company debuted a new service hub and pump rental operation in the Philippines, which will help combat the effects of climate change.

The Philippines have ongoing issues with tropical cyclones and heavy storms, and Xylem's new hub will produce the flood-control equipment desperately needed throughout the country.

Plus, it's rolling out new water recycling technology in Colorado this year, which will reduce the amount of water needed from fresh water sources.

It's this sort of sustainable water technology that makes Xylem such an attractive investment.

The company has turned a profit of at least $200 million every year over the last decade, and its profits surged 27% higher in 2017. It has also grown its sales 24% over the last five years, and 65% since 2009.

We expect that growth to continue as the water crisis deepens and Xylem continues to innovate with sustainable solutions.

And other analysts are just as bullish about Xylem's future as Patalon…

Janney Montgomery Scott has given XYL a 12-month price target of $92 per share.

From its price of $64 at time of writing, that would produce a potential gain of 44%.

Chapter 4:

The Secret Way to Profit from the 11 "Unicorn" IPOs Slated for 2019

The slate of **2019 IPOs** could make it the biggest year for public offerings ever.

With at least 10 "unicorn" companies – startups valued over $1 billion – slated to go public in 2019, more cash could be flowing into the IPO market than ever before.

Here's a list of the biggest and most important 11 companies on our radar. Plus, we'll show you a way to avoid the risk of the IPO market while still profiting from these hot new companies.

2019 IPOs to Watch, No. 11: Uber

The Uber IPO may be the most hotly anticipated IPO of 2019. It's valued at a staggering $120 billion right now, giving it a shot at being one of the biggest IPOs ever.

In less than a decade, Uber has made "ride share" and "call an Uber" part of our everyday vocabulary as it's all but destroyed the taxi industry. Taxi medallions in New York City have plummeted by 87% over the last five years. Medallions used to fetch up to $1.3 million as recently as 2013. Today, they can be bought for just $160,000.

Uber did this by reinventing the ride-for-hire industry.

Instead of operating a fleet of cars and employing dispatchers, drivers, and mechanics – the way traditional cab companies have done for decades – Uber simply connects contract drivers with riders through its app.

Drivers aren't Uber employees. They're anyone with a reliable car who passes Uber's screening process, so Uber has no overhead cost for driver salaries or vehicle supply. That allows Uber to reduce costs for riders.

Plus, Uber's strategic "surge pricing," which ratchets up the cost of a ride based on demand, ensures there are plenty of drivers on the road to connect with passengers in need of a lift. Getting more money per ride encourages more drivers to get on the road during busy times.

And between Uber's convenience, cost, and nicer cars, riders are simply bypassing taxis and public transportation altogether.

Now, Uber's working to develop self-driving vehicles to carry fare-paying passengers, a move that could change transportation as we know it.

This sort of tech-based disruption is exactly what has investors salivating over the Uber IPO.

But there are some hitches in Uber's plans. The company has been trying to pull itself out of three major controversies.

First, founder and former CEO Travis Kalanick stepped down from Uber in June 2017 amid growing criticism of his leadership style.

Kalanick reportedly ignored complaints of sexual harassment at the company while other reports publicized his abrasive behavior. That included a video of him screaming at an Uber driver.

The new CEO, Dara Khosrowshahi, is tasked with turning around the company's public image and internal culture ahead of a public offering.

Second – and another big obstacle for Khosrowshahi – is dealing with the legal battles stemming from Uber's cutthroat style of business.

Uber just settled a lawsuit that Alphabet Inc. (NASDAQ:GOOGL) brought against the company alleging Uber stole intellectual property for self-driving cars from a Google engineer. Google is competing with Uber in developing a commercially viable autonomous vehicle. Uber agreed to shell out $245 million to Google, plus 0.34% of equity in the company to settle the suit.

Now, Uber has to contend with a Department of Justice investigation into Uber's practices of evading law enforcement.

Some cities banned Uber or had strict regulations on ride-for-hire companies that kept Uber from operating. Some cities, including Seattle, have alleged Uber developed software called "Greyball" meant to disguise Uber's operation in their cities and mislead law enforcement.

Even with the setbacks, Khosrowshahi is still eyeing a 2019 IPO date. And Uber still has the potential to be the blockbuster IPO we're all expecting.

2019 IPOs to Watch, No. 10: Palantir

You might not know much about the second company on our list. Its business is highly secretive, which has helped it fly under the radar. But with an astounding $41 billion valuation, the Palantir IPO also has the chance to be the biggest of the year.

Here's what we know…

Palantir was co-founded by Peter Thiel in 2003. It develops software to analyze "big data," the sprawling data sets too big for most commercial software to compute.

It's a highly in-demand industry. Companies are realizing how much they can learn about their business by using software to analyze their data, whether it's insurance companies identifying new risk indicators or government intelligence agencies mining their troves of reports for patterns.

And with the growth of the internet, troves of new data are created almost daily. Facebook Inc. (NASDAQ:FB) mines its users' daily usage to deliver custom advertisements. Every click, like, comment, and even the time spent on a page is analyzed by machine-learning algorithms to develop targeted advertisements.

That's why the big data analytics industry is already worth a whopping $200 billion.

Palantir is already emerging as a leader in the industry, too. The company boasted revenue of $750 million this year, compared to $600 million last year, a 25% jump.

And Palantir's analytics helped the U.S. Government track down Osama bin Laden.

The Wall Street Journal reports Palantir is slated to go public in the second half of 2019, although it's possible the company will remain private.

One reason it could decide against an IPO is that personal privacy has become a major advocacy issue.

Facebook has been mired in a scandal over personal data being handed over to Cambridge Analytica during the 2016 election, while the EU just passed the General Data Protection Regulation (GDPR), which controls how digital companies can collect and use information on their users.

Privacy advocates have even protested at Palantir's headquarters in Silicon Valley.

The company might decide to avoid the publicity an IPO would bring in this climate.

2019 IPOs to Watch, No. 9: Airbnb

Airbnb has disrupted the travel and lodging industry much the same way Uber has disrupted transportation.

Airbnb allows users to list their homes, apartments, or rooms for short-term rentals. Guests reserve the rooms and pay online. The model allows for Airbnb to get a cut of every rental without having to own and maintain the individual properties. It also means guests can find a place to stay when traveling without paying a premium price for a hotel.

Over 150 million people in 190 countries have used Airbnb already, and there are over four million active listings.

And it's been massively lucrative. The company made $1 billion in revenue in Q3 this year and notched a $31 billion valuation during its last round of funding in 2017. That valuation could go even higher before a public offering, especially since the startup is already profitable, a rarity even among the unicorns.

Airbnb's profitability and billions in revenue should allay concerns over the company's regulatory hurdles.

Some cities are concerned Airbnb threatens revenue or could drive down property values if quiet, non-commercial neighborhoods become flooded with travelers each weekend. Plus, hotel interest groups are not happy the upstart has avoided paying tourism taxes or abiding by zoning regulations hotels must meet.

A regulatory crackdown on Airbnb could threaten the company's bottom line. But we're not worried about it. With over 81,000 cities with Airbnb listings, a few cities restricting Airbnb won't slow the company down. Plus, the service is so popular, it's unlikely politicians will favor more drastic regulations.

2019 IPOs to Watch, No. 8: Lyft

Like its rival Uber, the Lyft IPO is another widely anticipated 2019 IPO. Even though Lyft has played little brother to Uber since it was founded in 2012, it's avoided Uber's scandals.

Lyft operates much the same way as Uber, with riders connecting with drivers via its app. But Lyft has put an emphasis on having friendly drivers, often encouraging passengers to sit in the front seat instead of the back. And you may also recognize Lyft drivers' purple dash lights, another way the company has tried to distinguish itself from the scandalized Uber.

Uber's troubles have helped boost Lyft's market share over the last two years. At the start of 2016, Uber controlled over 87% of the market, while Lyft only had 15%. Now, Uber's share has fallen to 69%, while Lyft's has nearly doubled to 29%.

Lyft's growth coming at just the right time could make it the better bet in 2019, when it potentially debuts on public markets in March or April.

The ride-share firm racked up a valuation of $15.1 billion during its last round of funding in June, roughly a quarter of Uber's valuation. Considering Lyft now controls about a third of the ride-share market, this could represent a substantial value over Uber's massive price tag.

Plus, Lyft has plenty of room to expand. It currently only operates in the United States and Canada, but a broader international push is coming. And while Uber is jockeying with Google to mainstream autonomous vehicles, Lyft is rolling out new transportation sharing ideas, including bike shares.

Lyft just bought Motivate, the largest bike-share company in the United States, this summer for $250 million.

That's a massive industry on its own – which is why we included this next company on our IPO watch list...

2019 IPOs to Watch, No. 7: Lime

You may have already seen its ubiquitous scooters and bikes around your city, but you might not know Lime is another unicorn with a $1.1 billion valuation.

Lime, founded in 2017, has backing from both Uber and Alphabet. Uber hopes to make Lime's fleet of shareable scooters and bikes available within the Uber app, making it a one-stop shop for getting around town and fighting back against Lyft's growth.

Currently, Lime's shareable scooters and dockless bikes are strategically placed throughout cities, allowing anyone with the app to unlock them, ride them, and leave them at their destination. At night, Lime pays nearby residents to collect and charge the scooters.

Analysts are now dubbing these scooters "last mile transportation," as riders will be able to get from train stations and bus stops to their final destination.

But plenty of users are simply riding the scooters instead of public transit or taxis. These scooters can travel up to 37 miles on a single charge.

As for Lime's profitability, ***Quartz*** estimated each scooter could bring in $11 a day for Lime, while other analysts project revenue potential could soar to $760 million per year if the company reaches all U.S. markets.

Since the company is still private, its revenue from each scooter is still unknown, and we don't know its expenses to keep the fleet available. Lost, stolen, or vandalized scooters are a risk to the company's business model, along with government regulations banning their use.

Cities from Los Angeles to Stockholm are banning the use of dockless scooters, calling them a blight on the city. Other regulators fear they will lead to a rise of traffic fatalities as users ride in traffic without helmets.

Lime isn't the only scooter company with an IPO slated for 2019…

2019 IPOs to Watch, No. 6: Bird

Just like Lime, Bird operates a fleet of 1,000 scooters across 18 cities.

While Bird is the smaller of the two shareable scooter companies eyeing 2019 IPOs, investors are just as bullish on its prospects.

Bird already raised $300 million in 2018, pushing its valuation just north of $2 billion.

It will use the funds to expand into more cities, including going international. One of the largest backers, B Capital, is heavily investing in the Southeast Asian market, and that could be a sign of where Bird will head next.

Bird has also worked with cities to overcome the regulatory risk that threatens the industry. By sharing data with cities and working directly with public officials, Bird is helping change the narrative about scooters in cities. After all, fewer cars on the road means less traffic, and city politicians love those results.

We still don't have an exact IPO date, but the trajectory the company is going makes 2019 a real possibility.

2019 IPOs to Watch, No. 5: Slack

Slack is a software-as-a-service (SaaS) firm focusing on office productivity. It also has a massive $7 billion valuation, making it one of the biggest potential IPOs on our list.

And it's one of the most sought-after companies by investors. It's one of the most successful tech startups that hasn't been bought out by a larger firm, giving investors the opportunity of getting in on the ground floor of a potential giant.

Slack is essentially a messaging service for businesses. Employees can communicate with each other directly or in groups, or manage a project with multiple stakeholders. Slack allows users to quickly find what they're looking for and keep tasks and projects organized. Users can attach or share files, send reminders, or even log progress so team members can stay up to date on all projects and communication.

Slack offers several other features that have made it a hit in offices across the world. It seamlessly integrates across all devices, so workers can move from computers to tablets to phones throughout the day without missing a beat. It can also integrate with other apps, connecting users' Slack accounts to email accounts, calendars, or social media.

And its "Slackbot" functions as a personal secretary for users. Users can ask it questions, tell it to find documents, automate tasks, and set reminders by interacting with the bot.

But there are at least two huge reasons Slack could grow into one of Silicon Valley's biggest companies: its ubiquity and its subscription business model.

Unlike most software providers, companies don't simply purchase a software package or license – they pay Slack an annual subscription fee to maintain the service. This ensures yearly revenue flowing to the company without having to develop and market new software every year.

And it's been hugely profitable.

Earlier this year, Slack boasted three million paid users worth $300 million in annual subscription fees. That's up from two million paid users just a year ago. ***Crunchbase***, a tech news site, estimates Slack could claim as much as 4.5 million subscribers or $450 million in revenue by the time it goes public in 2019.

The messaging company just raised a whopping $427 million this year alone, and it's raised over $1 billion since its 2013 founding.

Slack has been gearing up for an IPO since 2017, but it's taking firm steps toward an early 2019 IPO, according to ***The Wall Street Journal***. However, CEO Stewart Butterfield called the potential IPO a "multiyear process" in an interview earlier this year.

2019 IPOs to Watch, No. 4: Pinterest

Pinterest could be the next social media IPO, giving investors the opportunity of jumping on the next Facebook Inc.

But unlike Facebook, Pinterest isn't plagued with problems of privacy breaches or declining usage.

And while it's a social media company that encourages users to "share" with others, it's not the sort of sharing that will push into congressional crosshairs like Facebook's.

Pinterest is wildly popular. Pinterest now has 200 million monthly active users, nearly 20 million more than Snapchat. Pinterest users "pin" images, recipes, designs, or ideas to their "board." Pinterest users use their board to keep track of things they like or plan to do and share their boards with likeminded friends and family.

But Pinterest goes one step further. Users can search others' boards to find ideas, and advertisers are loving the data it's creating.

This sort of sharing is extremely valuable for the firm because it shows exactly which hobbies or products users are interested in or are planning on buying, giving advertisers precise data to use in targeted ads.

Pinterest has turned that data into nearly $1 billion in revenue this year, nearly double last year's revenue of $500 million. That's earned the social media firm an eye-popping $15 billion valuation.

Executives have kept a tight lid on possible IPO dates, but analysts expect it to go public in 2019.

2019 IPOs to Watch, No. 3: Instacart

Instacart is a grocery delivery service that's raised nearly $1 billion in 2018.

Customers in all 50 states can use Instacart to order groceries online and have them delivered to their homes roughly an hour later. The company partners with more than 300 grocers, including Kroger Co. (NYSE:KR), Whole Foods (NASDAQ:WFM), and Costco Wholesale Corp. (NASDAQ:COST).

In total, Instacart works with 15,000 grocery stores and has 50,000 customers, and that's made it hugely lucrative. The company is valued at $7.6 billion, even after Amazon.com Inc. bought Whole Foods and threatened to derail Instacart's business.

IPO Explosion: Average people have made tens of millions of dollars from cannabis IPOs – here's how you can become one of them…

So far, Amazon's emergence in the sector hasn't hurt Instacart, but it's raising more money just in case. But Instacart's relationship with Whole Foods could be threatened in the near term.

While the company hasn't announced an IPO date, CEO Apoorva Mehta said it's "on the horizon," and that very well could be 2019.

Our next IPO is another $1 billion food delivery business that's expanding the service to restaurants…

2019 IPOs to Watch, No. 2: Postmates

Instead of just delivering groceries, Postmates also brings its customers food from their favorite restaurants.

And a Postmates IPO is almost a sure thing. CEO Bastian Lehmann even said "we have a beautiful path to an IPO in 2019."

The company already raised $785 billion from funding rounds this year too, stretching its valuation to $1.2 billion.

But with the company handling three million deliveries a month and claiming it turned a profit of $1 billion in gross sales in 2017, the valuation makes sense.

On the other hand, Postmates has plenty of competition. Amazon and Instacart threaten grocery delivery market share, and DoorDash, Uber Eats, and Grubhub Inc. (NYSE:GRUB) compete for takeout delivery dollars.

The competition has forced Postmates to innovate. Postmates now offers a subscription service that provides free delivery to subscribers who pay the $9.99 monthly fee.

The heavy competition also makes an IPO even more likely. The company can use the added revenue from the sale to go on the attack against its rivals. And the market could be favorable for Postmates, too. Grubhub's share price has more than doubled since it went public in 2014.

2019 IPOs to Watch, No. 1: Cloudfare

Cloudfare is a jack-of-all-trades web services firm. It specializes in content delivery, digital security, and website management.

With a valuation of $3.5 billion, Cloudfare will make its public debut early in 2019. The firm has already hired Goldman Sachs Group Inc. (NYSE:GS) to lead the offering, so there's not much speculation about the firm's plans here.

What makes Cloudfare unique – and worth $3.5 billion – isn't that it offers a wide range of services, it's that it's able to make a noticeable impact with its clients. Cloudfare's services can help websites load faster, even while making them more secure.

Fast-loading sites and ironclad security are essential to e-commerce, and companies with a digital presence are willing to fork over a lot of cash to get it. Cloudflare's small-business plans start with a subscription of $200 a month per domain, and its plans for larger businesses are negotiated.

With 10 million client domains, Cloudfare's SaaS model has the potential to be a major cash generator. We won't know exactly how much money the company is earning until it files for an IPO, but it's already raised $110 million from the likes of Alphabet, Microsoft Inc. (NASDAQ:MSFT), and Baidu Inc. (NASDAQ:BIDU).

While these IPOs are exciting, picking just one to invest in could be risky.

That's why we're also showing you our backdoor strategy on how you can gain exposure to all of the hottest new companies.

How to Profit from 2019's Biggest IPOs

You can profit from the hype these IPOs create without the risk of backing just one by owning the First Trust U.S. Equity Opportunities ETF Fund (NYSE Arca:FPX).

FPX tracks the IPOX-100 index, which includes the biggest 100 companies that have gone public or were spun off in the last four years.

First Trust believes this gives investors the ability to profit from the "growth and innovativeness" of the economy without piling your money into just one firm.

And it's been a successful strategy too.

Since the start of 2008, FPX is up 170% while the Dow returned just 93% in the same time.

Not only does that offer investors the sort of gains innovative, new companies can offer, it also lessens the risk behind trying to choose which new company to back.

Investors who bought into the hype behind Snap Inc. (NYSE:SNAP) are down nearly 80% since the company's March 2017 IPO. FPX gained 13% in the same period.

FPX currently holds IPOs that rolled out over the last four years, including Snap Inc., Match Group Inc. (NASDAQ:MTCH), and Blue Buffalo Pet Products Inc. (NASDAQ:BUFF). It also holds newly spun-off companies like AbbVie Inc. (NYSE:ABBV).

And it will soon own the companies listed above once they go public too.

You'll profit when a newly public company like Lyft or Airbnb breaks out without the risk of backing the next Snap.

Chapter 5:

The Cryptocurrency with 1,000% Growth Potential

Anyone who follows Bitcoin knows its history of dramatic price swings.

But that history, when translated to a logarithmic chart, shows that over the long term, the price of Bitcoin has followed a distinct pattern as it has moved higher.

And that suggests several more steep jumps lie ahead for the preeminent cryptocurrency. These jumps can push BTC not only past its all-time high of just under $20,000, but far beyond it. We're talking past $50,000 in the near term and ultimately to $250,000 or even $1 million.

Prateek Goorha, an interdisciplinary social scientist with an interest in the economics of innovation and creativity, has written two blog posts analyzing the phenomenon, which he calls the "parabolic supertrend" in Bitcoin.

The basic idea is that each major jump in Bitcoin's price has come as the result of three distinct phases….

What Bacteria Can Teach Us about Bitcoin Price Moves

It turns out that Bitcoin's price behaves a lot like bacteria.

Yes, bacteria.

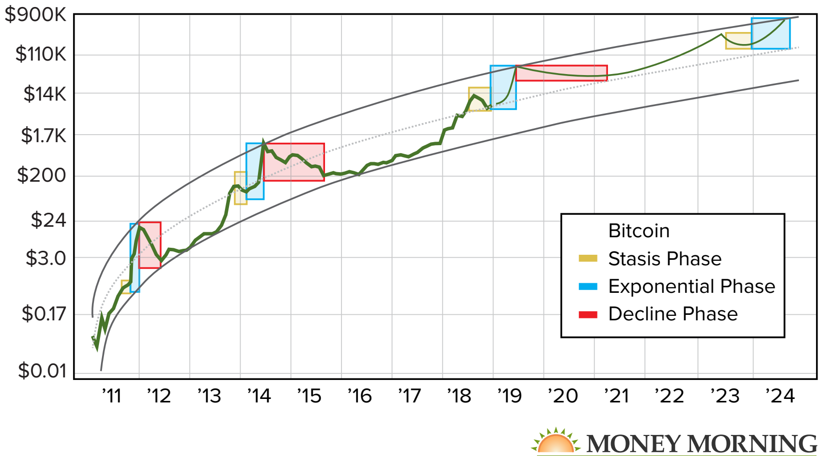
Each major price move has included a phase of stasis, an exponential phase of rapid growth, and a phase of decline. These cycles have driven the price of one Bitcoin from mere pennies in 2010 to thousands of dollars today.

In that context, the recent 70% decline isn't as ominous as it might seem. This chart, first created by a crypto technical analyst, does a good job of showing how Bitcoin's periodic sharp declines haven't broken the overall pattern of parabolically higher prices.

Take a look:

A Pattern of Exponential Gains

The history of Bitcoin is a history of steep price gains followed by declines and then stagnation. But as the pattern repeats, it takes the Bitcoin price to exponentially higher levels with each cycle.



The gains may not look dramatic at first glance, but this chart uses a logarithmic scale rather than a linear scale. So what you're seeing are percentage gains.

Goorha's posts on Medium liken what's happening to the life cycle of bacteria in a Petri dish.

During the stagnation phase, he says, the bacteria are "acclimatizing to the environment," resulting in "little to no growth." That's followed by an exponential phase in which the bacteria "begin propagating by cell doubling" as they channel the available resources into growth.

In the third phase, as resources are exhausted, there's a decline in the bacteria population.

When applied to Bitcoin, the community of users is comparable to the Petri dish, with the fiat money invested (be they U.S. dollars, Japanese yen, euros, or South Korean won) the resource feeding growth.

Periods of selling starve the system of resources and result in a decline. Eventually the decline stops as the Bitcoin market adapts to these circumstances.

The next phase is triggered when Bitcoin's "Petri dish" – the number of users – gets bigger, introducing fresh resources to the system.

In an email, Goorha explained that the infusion of fiat money into Bitcoin "fuels the growth of the network, much like oxygen fuels the growth of bacteria."

So while Bitcoin has experienced several periods of steep decline, the arrival of the next cycle prevents the price from falling to levels seen in previous cycles.

Take Bitcoin's first bubble, for example. BTC soared from $0.95 to $32, then all the way back down to $2.00 – a 94% drop. But even so, the price of Bitcoin ended up twice as high as where it started.

The same thing happened in late 2013, when Bitcoin rocketed to nearly $1,200 from less than $100 in under four months. In the long decline that followed, Bitcoin did briefly slip below $200, but spent most of 2015 in the $220 to $275 range – more than twice the launch point from mid-2013.

That brings us to the present. What can the parabolic Bitcoin chart tell us about 2018's disappointing performance? And what does it forecast for the years ahead?

This remarkable ride is far from over…

A Bitcoin Price Prediction for More Exponential Gains

One would assume that last year's jump to an all-time high of nearly $20,000 was a blue "exponential growth" phase, but the chart says otherwise.

According to Goorha, we've been in a "stasis" phase *since last fall*. That includes the spike to the all-time high.

"My view is that we have been in an extended yellow period of stasis," Goorha told us in an email. "Several factors have changed all of a sudden, and we are still struggling to figure out their relative effects," he said, listing such major developments as expectations for a Bitcoin ETF, the development of the **Lightning Network**, the debut of custodial services, and possible manipulation of the futures markets.

"This uncertainty keeps us stuck solidly within the yellow rectangle."

That means the rise to $20,000 was just a prelude to a much bigger move to come. It may be comparable to what we saw in 2013.

In early 2013, Bitcoin leapt from under $15 to over $230 in less than four months before slipping back below $100. A dramatic move, to be sure. But the chart shows the move to $230 was in the stasis phase.

The exponential phase came later that year, in November, when Bitcoin spiked to nearly $1,200.

If we're in an extended stasis phase now, the next exponential phase isn't far off. And when it hits – most likely within the next six months to a year – it will propel the price of Bitcoin somewhere at least to $50,000 and possibly close to $100,000.

In fact, we aren't the only researchers predicting such a rally.

Nerijus Tilvikas, the COO of the cryptocurrency exchange Tokia.io, believes Bitcoin will surge to $50,000 December 31, 2019. That's a potential profit of 1,233.72%.

Such an event is consistent with catalysts we know are in the works and are capable of drawing in the sort of fresh resources (fiat money) needed to fuel the move. I'm talking about things like the Lightning Network, which will greatly expand the speed and capacity of the Bitcoin network, as well as the likelihood of a Bitcoin ETF and the desire of large investors to gain exposure to this new asset.

Bitcoin is far from dead, and it could massively reward investors who buy in at these price levels. We wouldn't best against it.

Chapter 6:

Five Income Stocks with Double-Digit Growth Ahead

We're about to bust one of the biggest investing myths around today.

You see, investors often feel forced to choose between stocks with high yield and stocks with growth potential.

But the best dividend stocks – the ones we're going to show you now – give you both.

Now, these aren't "Dividend Aristocrats" for a reason. These companies haven't built the track record of reliable dividend payouts you'd look for in a traditional income stock.

Instead, they offer the combination of income and upside we like to see in a stock.

We have five stocks for you that not only reward shareholders with a dividend, but are also primed for at least double-digit share price growth.

We'll also show you how to make the MOST money from your dividend stocks.

You can turn dividend payments into even bigger returns…

The Power of Dividend Stocks

Dividend stocks let you take advantage of one of the most powerful strategies to building wealth: compounding.

Compounding is a way of ratcheting up your returns by reinvesting your dividends back into the stock...

And it's easy to get set up to maximize the profits you get from dividends. Through dividend reinvestment programs (DRIPs), investors can increase the amount of shares they own without having to pay a dime. Every dividend payout is used to buy more shares.

Over time, it really adds up.

Reinvesting dividends in Procter & Gamble Co. (NYSE:PG) from January 1, 2000, to January 1, 2018, would've turned a $100,000 investment into $263,550. That's $40,000 more than you would've made by leaving the dividends in your account.

Yes, no one is complaining about a 224% return, but every $10,000 invested in P&G then was worth an extra $6,000 with the dividends reinvested.

How to Spot the Best Dividend Stocks

Some investors try to time buying dividend stocks in anticipation of dividend hikes.

If a company has a history of increasing dividend payouts, an investor may feel tempted to buy the stock in hopes of earning extra income.

But that's not always going to work out.

Just ask shareholders of General Electric Co. (NYSE:GE).

GE raised its dividend 19 of the last 22 years before slashing it by 50% in December 2017, from $0.24 to $0.12. And on October 30, GE CEO Larry Culp said he is cutting it further to just $0.01 per share. GE simply has too much debt and too little revenue to sustain its payouts to shareholders.

That's why you should never buy a stock solely because it pays a dividend.

Instead, also make sure the company has a solid business model that could lead to stock price appreciation.

We took that approach and found five companies that fit those criteria, using the ***Money Morning*** Stock VQScore™.

A VQScore of 4 or higher puts a stock in the "Buy Zone." These are stocks with breakout potential according to our proprietary algorithm.

And all of these dividend stocks have a score of 4 or higher – making now a great time to buy.

Income and Growth Stocks for 2019, No. 5: RCI Hospitality Holdings Inc.

Founded in 1982 in Houston, RCI Hospitality Holdings Inc. (NASDAQ:RICK) operates upscale adult nightclubs, restaurants, and sports bars.

As of November 2017, it operated a total of 45 live adult entertainment, restaurant, and bar operations.

And recently, RCI has been on an acquisition spree…

On November 2, 2018, RCI acquired VIP's Gentleman's Club and its real estate in Chicago. The 10,000-square-foot club is one of only three in Chicago, and the only one with a full liquor license.

Then on November 6, it acquired Blush Gentleman's Club & Sports Bar in Pittsburgh.

"With its ability to generate $3 million-plus annually in adjusted EBITDA, Blush is a profitable, cash-flowing number one club in a market that is home to great sports teams, leading universities, and well-established and emerging industries," CEO Eric Langan said in a November 6 statement.

With more revenue sources, the company could make more money, attracting more investors and sending the stock price higher.

Analysts agree…

In the next 12 months, Sidoti Research projects that the RCI stock price will trade for $43 per share. From November 15's price of $20, that's a potential profit of 115%.

Aside from the stock price appreciation, RCI pays its shareholders a dividend of $0.12, a yield of 0.6%. With RCI growing its holdings, we expect it will return even more cash to its shareholders as it grows.

Our next stocks boast even higher yields right out of the gate…

Income and Growth Stocks for 2019, No. 4: Arcos Dorados Holdings Inc.

Thanks to a technology push to make ordering easier and the introduction of all-day breakfast in 2015, McDonald's Corp.'s (NYSE:MCD) stock price has skyrocketed 91.85% over the last five years.

In comparison, the Dow Jones Industrial Average is up just 61.78%.

But because the MCD stock price is trading near its 52-week high price of $187, some investors may be waiting for pullbacks before buying shares.

However, there's a way to invest in McDonald's right now for less than $10 per share.

Arcos Dorados Holdings Inc. (NYSE:ARCO) is a Uruguay-based company that operates as a franchisee of McDonald's.

As of April 2018, it operated or franchised 2,100 McDonald's restaurants across Latin America and the Caribbean.

The Arcos stock trades for $8 a share, and analysts at Itau Securities believe that the ARCO stock price will climb to $11 per share in the next 12 months.

That's a potential profit of 38%.

Arcos also pays its shareholders a dividend of $0.10 a share (1.2% yield). The company grew its profits 63% between 2016 and 2017 and slashed its net debt in half between 2014 and 2017. Those are signs the company is financially healthy enough to maintain this dividend payment.

Income and Growth Stocks for 2019, No. 3: Ferrari NV

The Ferrari NV (NYSE:RACE) stock price has been on fire since spinning off from Fiat Chrysler Automobiles NV (NYSE:FCAU) in 2016.

And it offers shareholders a double-digit profit opportunity ahead that could soon turn into a triple-digit profit opportunity.

In its most recent earnings report, Ferrari grew net income 5% and shipments 11% year over year.

The key to that success has been the Ferrari Portofino.

It's a more cost-effective "entry model" the company began producing in 2018 that's aimed to attract a broader audience.

CEO Louis Camilleri said his customers become die-hard fans and eventually buy the high-margin special series or limited-edition models.

Those pricey editions can bring in big bucks, which is why analysts are expecting big things from Ferrari in 2019.

Consumer Edge Research projects that in the next 12 months, the RACE stock price will climb 63% from $97 to $158 per share.

Ferrari also pays shareholders a dividend of $0.85, which is a yield of 0.9%.

Income and Growth Stocks for 2019, No. 2: Johnson Outdoors Inc.

Johnson Outdoors Inc. (NASDAQ:JOUT) operates in the specialty retail market of diving, watercraft, and marine electronic products. It also provides maintenance and product repair and sells gear to resorts and armed forces.

You see, this is the type of business that can stand up to Amazon.com Inc.

Amazon only has basic scuba diving equipment online, so professionals will continue to turn to Johnson Outdoors.

And the proof is in the sales…

- **Net Sales in 2015: $430,489**
- **Net Sales in 2016: $433,727**
- **Net Sales in 2017: $490,565**

Sales increased 13% from 2016 to 2017, and compared to 2015, sales increased 13.95% in 2017.

Because of its niche market expertise, Johnson Outdoors could be a takeover target for a company like Dick's Sporting Goods Inc. (NYSE:DKS) or Walmart Inc. (NYSE:WMT) trying to bring in a new audience.

And when companies are being bought out, there is normally a quick stock price pop for shareholders. When reports came out on November 13 that Buffalo Wild Wings could be sold, the stock price surged 25% the next day.

But even if there isn't an acquisition offer, analysts are still bullish on the JOUT stock price…

Imperial Capital believes the JOUT stock price is going to jump from $59 to $110 per share in the next 12 months, which would be a gain of 86%.

The company also pays shareholders a dividend of $0.56 (1% yield).

Finally, that brings us to the top dividend stock to own in 2019…

Income and Growth Stocks for 2019, No. 1: Keurig Dr Pepper Inc.

Keurig Dr Pepper Inc. (NYSE:KDP) may already be a household name, but what many investors don't realize is that this company pays investors a strong 2.10% dividend yield.

The merger of Keurig Green Mountain and Dr Pepper Snapple Group this past summer created North America's third-largest beverage company.

Keurig Green Mountain was founded in Vermont in 1981, was publicly traded for a time, and then once again became a privately held entity.

On July 9, 2018, Keurig Green Mountain paid $18.7 billion to acquire Dr Pepper Snapple Group, and the combined company was renamed Keurig Dr Pepper.

Some of the products produced by this combined group include Keurig brewers, K-cups, Green Mountain Coffee, Dr Pepper, Snapple, Canada Dry, Motts, and 7-Up.

After the acquisition, KDP expects that its adjusted EPS will be between $1.02 and $1.07. Estimates from Wall Street analysts are for EPS of $1.03, so there is a good chance that results are going to exceed those expectations for the year.

This is something that can be a catalyst for share price gains.

But this is an excellent stock to buy for the long term too.

Keurig Dr Pepper has another perfect VQScore, making it a breakout candidate right now.

Susquehanna Financial Group predicts that the KDP share price will hit $32 over the next 12 months. At time of writing, this represents a gain of 28% from the share price of $25.

But that's just in the short term, and keep in mind this company pays a generous dividend yield of 2.4%.

It could also be a prime acquisition target itself, which would send the stock price skyrocketing.

Chapter 7:

Bank 145% Gains in the Biggest Year Yet for Cannabis Investors

December 5 marked the 85th anniversary of the passage of the 21st amendment to the Constitution and the end of America's 13-year experiment with "Prohibition."

And right now, we're in the midst of another Prohibition era coming to an end, as cannabis is rapidly being legalized across North America.

As cannabis investors, the lessons of 1933 are all too relevant today: That was the year the country saw illicit revenue for criminals become fully legal profits for savvy investors and entrepreneurs. These early movers accurately gauged the desire for consenting American adults to have a stiff drink if they wanted.

Although December 5 represented the "official" end of Prohibition, several events happened before and after that date to usher in the return of legal alcohol to the United States.

A lot of it had to do with the fact that Prohibition wasn't working. Big U.S. cities had hundreds of speakeasies, where the well-connected could get alcohol at will, whether smuggled in across the border or made in "bathtub" stills.

Those profiting most from Prohibition were the Al Capone types – gangsters, bombers, and gunmen who turned American neighborhoods into violent, free-fire zones with their "Chicago typewriters."

In the end, Prohibition's repeal only became possible when many one-time supporters began to reconsider their positions and join those who had previously been in opposition.

One prominent person who changed his mind was John D. Rockefeller. He was a lifelong "teetotaler" who originally supported Prohibition but changed his mind when he saw that it wasn't working. He put his political clout and considerable bankroll behind bringing about change.

It's such a natural parallel with cannabis today. That's why 2019 will be one of the best years yet for cannabis investors. In fact, we've identified a stock we think will climb 145% in 2019 alone.

This Was Unimaginable 10 Years Ago

In a textbook case of history repeating itself, we're seeing a sea change right now.

Former cannabis opponents are realizing that the "War on Drugs" has failed; it has hurt innocent people, enriched violent criminals, and created non-violent criminals out of otherwise law-abiding people.

After all, former Speaker of the House John Boehner was once "unalterably opposed" to the concept of marijuana legislation. Now, 10 years later, he's become one of the industry's biggest advocates, joined the board of one of the country's largest cannabis companies (Acreage Holdings), and taken part in the historic ***American Cannabis Summit*** that included his shocking prediction that full legalization is less than five years away.

That remarkable transformation started with **one conversation with an injured veteran**.

And he's not alone.

Plenty of public figures are either joining up with cannabis firms, advocating change, or even quietly supporting advancement of cannabis users' rights. Remember, even White House Chief of Staff John Kelly said "medicine is medicine" while defending his belief that veterans suffering from post-traumatic stress disorder (PTSD) or physical ailments should be allowed to use cannabis.

But the important parallels don't stop there…

Changing Laws Invite Soaring Capital Investments – Again

As it is with cannabis in 2018, in 1933, many states simply were not “cooperating” with Prohibition. The residents of those states, which had opposed Prohibition in the first place, grew weary of funding and policing a “war” they never wanted, never supported, and wasn’t working.

Another lesson from 1933 we could (re)learn in 2018 is about tax revenue.

As we’ll all remember, in 1929, the United States fell into the Great Depression. So much went wrong. The near-total ban on alcohol sales meant government tax revenue declined sharply at precisely the time more government spending was needed. The hit to revenue was something like 50% between 1930 and 1933.

At that point, the writing on the wall was clear: Former Prohibition cheerleaders were changing their minds. The enforcement war was failing. State support was waning, and the need for more revenue was “acute,” to put it mildly. Ultimately, Franklin Delano Roosevelt campaigned on a platform that included the repeal of Prohibition.

This scenario should now be familiar to anyone acquainted with the cannabis laws in the United States right now.

But Prohibition wasn’t quite dead just yet.

From 20th Century Public Policy Failure to $1.3 Trillion Global Industry

First, in 1932, Congress amended the laws to allow “weak” beer and wine with alcohol levels up to 3.2%. It allowed states that wanted to prohibit this new alcohol to do so.

The relaxation of the laws ushered in a new wave of investment in the alcohol industry. The number of brewers and winemakers exploded almost instantly, creating millions – in 1933 dollars – in profits for those early investors.

Then came the full, formal repeal. Again, the government allowed states to continue to ban alcohol if they chose.

By 1966, there wasn't a single state left in the union where booze was banned.

Not that the state-ban option held back the alcohol industry. Many producers who managed to hold on during Prohibition or started when 3.2% beer and wine was legalized became outrageously wealthy.

For instance, you may have heard that the Kennedy family money came from bootlegging. That's not true, but family patriarch Joe Kennedy did invest heavily in Scottish whisky companies to great profit after Prohibition.

The Busch family built Budweiser into an international company before finally selling out to InBev, creating Anheuser Busch InBev (NYSE:BUD), while the Coors family created multi-generational wealth for themselves and their investors, becoming Molson Coors Brewing Co. (NYSE:TAP).

Other fortunes were created when smaller producers sold to the eventual industry giants, like Pabst. Still others created more modest fortunes and exist today, like the Yuengling brand in Pennsylvania.

Those fortunes were made in two ways: The companies benefitted from the transition from illicit to legal production, and from the huge industry growth that happened after alcohol once again became legal.

Finally, Prohibition ushered in new and ultimately very lucrative alcohol consumption habits.

The cocktail – during Prohibition, tipplers made a virtue of necessity and developed the mixed drinks as a (popular) way to disguise poor-quality alcohol.

After repeal, the experimentation continued, further driving industry growth; the "bathtub martini" of the Prohibition-era working classes became the "three-martini lunch" of the successful executive in the 1950s.

Today, a bottle of Welsh mega-premium Forager's Clogau gin could set you back close to $200; good luck finding a bottle for your martini.

As alcohol Prohibition ended 85 years ago, illicit revenue became legal profits available to savvy investors, a flood of researched-based innovation drove new products, and the industry soared.

This is all happening in the cannabis industry right now.

That's why we're recommending Aurora Cannabis Inc. (NYSE:ACB) for investors ready to get their feet wet.

Aurora is taking advantage of the mainstreaming of cannabis in the United States. The cannabis firm made a big splash when it entered into talks with The Coca-Cola Co. (NYSE:KO) about developing a CBD-infused soft drink back in September. The mere announcement of the talks sent Aurora shares rocketing 50% higher in two weeks. An official deal with the nation's largest beverage distributor will be an even bigger catalyst.

Plus, Aurora is one of the first Canadian marijuana companies to list its shares on the NYSE. That gives the company even more access to investor capital compared to its Canadian peers stuck trading on Toronto exchanges.

But Aurora isn't just a trendy name thanks to making splashy headlines. The company is a moneymaking machine.

The company reported revenue of $19.1 million for the fourth quarter and $55.1 million for the year. That's up 223% and 206% year over year, respectively. Plus, Aurora raked in quarterly net income of $79.3 million, compared to a net *loss* of $4.8 million a year ago.

Aurora Cannabis boasts an annual growing capacity of 1.2 million pounds and a significant international presence with sales and operations in 14 countries.

The company is riding high right now, and it looks to be settling into a favorable position for the long term.

For anyone serious about making money in the cannabis space this year, there are even more companies we're closely tracking with breakout potential. Our expert research has uncovered the stocks poised for wild gains of up to 1,000% – even as the market continues to be rocky in 2019.

Click here to learn more about three of the best cannabis stocks you can buy now…

Chapter 8:

The Three Trendy Stocks to Avoid in 2019

As investors, we spend a lot of time researching the best stocks to buy, the stocks that could help us retire early or earn enough to buy that vacation home we've been eyeing.

But we don't spend enough time thinking about which stocks we should never own. Just one toxic stock is enough to wipe out the gains from your winners.

We're correcting this imbalance in 2019.

These are the three stocks that have no business being in your portfolio if you want to make 2019 a profitable year.

And part of what makes these stocks profit poison is that they are some of the most popular on the market…

Ignore the Hype and Study the Fundamentals

When bad stocks become really dangerous is when they are popular enough to dupe people into buying them.

When the nightly hype machine of Wall Street gets behind a sinking company, those caught holding the bag can get hurt very badly.

Attila and his Huns were kinder to the Germanic tribes and Roman Legions than these stocks can be to your net worth.

We should spend as much time on avoiding poisonous companies as we do finding great new ideas to buy, but most of us don't. The sad truth is that very few individual investors ever bother to actually read the financial statements of the companies they own. They rely on the brokers, advisors, and well-dressed, slick-talking "journalists" on TV to do that for them.

That's how unsuspecting investors are buying stock in companies with deteriorating fundamentals when they think they're buying the next big thing.

These companies' cash flows do not meet their expenses, so they will have to sell assets, raise debt, or sell more stock in the company to keep the lights on. Many of them have executive pay plans that make mob bosses look like paragons of kindness and restraint. They are using accounting gimmicks to cover up huge flags in the balance sheet and in the income statements.

The sad truth is that toxic stocks like those we're about to show you are actually easy to spot if you look for them. But no one does, especially if the story is too good to pass up.

And owning these stocks is just too risky no matter how great the story may be.

They may become legitimate companies with outstanding prospects at some point in the future, but right now, the chances of them falling off the proverbial cliff is just too high to have them in your portfolio.

Fortunately for you, we do spend a lot of time reading financial statements. And we've found three duds with no business being in your portfolio.

These Three Stocks Are Profit Poison in 2019

Netflix Inc. (NASDAQ:NFLX) is a very popular company and has been a Wall Street darling ever since it buried Blockbuster.

This will no doubt be one of the more controversial toxic stock picks, but the truth is that no matter how shiny the story is, the numbers say it's too risky for most of us to own.

When we dig deep, we can see Netflix's financial condition has been worsening. Reported earnings look fantastic, but they are spending more than is coming in the door, so operating cash flow is actually getting worse. Total debt levels and interest expenses have gone up every year for the past six years as a result. So has the total number of shares outstanding as equity, and option-based executive compensation plans dilute minority shareholders just a little more each year.

The stock may go up in the short term, especially if the company wins the cash-draining content war with Amazon, but the smart thing to do is to stand aside until the risk level has been reduced. The stock is trading at $271 a share, 190 times earnings and more than 60 times future earnings. Bad things happen from these levels all too frequently.

Square Inc. (NYSE:SQ) is another excellent story that makes the toxic list.

It has done a good job of capturing some market share in small business payments, but it is not exactly a business with high barriers to entry. Banks will begin to fight back and regain market share, and so will other payment processing companies like PayPal Holdings Inc. (NYSE:PYPL).

Share count and interest expense have both been rising the past few years as current cash flows are nowhere near what they need to run the business. The company is not profitable this year and fetches over 77 times the very much hoped-for 2019 earnings.

Square may win the fintech wars against the world's giant banks and become the Buster Douglas story of the financial markets, but that's not the way to play it. The story is great, but the stock is just too risky for most individual investors to own right now.

Tesla Inc. (NASDAQ:TSLA) might be one of the greatest stock stories of its generation, but it has no business in a portfolio.

We get driverless electric cars and a transportation revolution with a high-tech genius at the controls. However, we also get debt levels rising faster than a freshman with their first credit card and a genius who just might be completely out of his mind. The total share count has gone up every year since 2011 too.

It is a great story, but the stock is too risky for anyone who is not straight-out gambling on a long shot. We will have a widely owned all-electric driverless car someday, but it's more likely to be a Ford or a BMW than it is a Tesla.

Avoiding these toxic stock takes is just part of what will make 2019 your best investing year yet.

Ignoring the hype and drilling down to each stock's fundamentals is also how you'll spot the diamonds in the rough. These are the stocks you won't hear about on TV, but you'll brag to your friends about when they soar through the roof.

And we want to show you exactly how to find them.

That's why we'd like to introduce you to the only undefeated strategist in the business (that we know of).

All 32 of his closed positions are winners.

Never buy a losing stock again.

Look for yourself…

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