THE 7 MUST HAVE

Stocks to Buy Now

MONEY MORNING

The 7 Must-Have Stocks to Buy Now

You don't have to time the market perfectly to amass wealth over the long run. You just need to buy the right stocks.

The recent market correction caused by the COVID-19 pandemic is a perfect example…

Nobody knew how long the decline would last. In fact, most analysts thought the drawdown in stocks would last a lot longer than it did.

But we knew investors who continued to buy the best stocks on the market would be handsomely rewarded.

And that's turned out to be correct with the market at new all-time highs as of December 2020.

That's why we weren't worried about trying to time the bottom. Since it's near impossible to get that right, we simply recommended buying the best stocks on the market and holding them over the long term.

The returns we've helped our readers generate speak for themselves:

- 263% on **Zoom Video Communications Inc.** (**NASDAQ: ZM**) since April.
- 230% on **Square Inc.** (**NYSE: SQ**) since May.
- 633% on **Workhorse Group Inc.** (**NASDAQ: WKHS**) since June.

The best part is, we're still finding opportunity in a select group of stocks with similar return potential today.

To get you started, here's our list of the best stocks to invest in right now for 2021.

They've each been picked by ***Money Morning***'*s* team of market experts, each with decades of trading and investing experience.

Our experts don't work for big banks or brokerage houses. They aren't money managers hoping to skim off a percentage of your portfolio.

They are offering their experience and expertise directly to our readers because they are sick of Wall Street parting everyday folks with their money.

They've pinpointed these seven stocks as having outstanding short-term *and* long-term profit potential.

This could be the only chance you have in your life to get into great companies at such low prices. Let's get started.

The Best E-Commerce Stock to Buy Now: Alibaba Group

Who They Are: Alibaba Group Holding Ltd. (NYSE: BABA) is one of the world's largest e-commerce companies, with a market cap over $540 billion. It operates a network of sites in China.

The company isn't just focused on e-commerce. Alibaba has expanded into cloud computing, digital media, entertainment, and even healthcare platforms. Because of this growth, Alibaba is often referred to as the "Amazon of China."

In fact, its earnings over the last 12 months were over $1 billion more than Amazon's. If it were valued the same way Amazon was, BABA stock would skyrocket 121%.

WARNING: 22 million shares of this stock trade hands every day – make sure you're *nowhere* near it. Click here to get the ticker...

Why Now Is the Time to Buy: ***Money Morning*** Executive Editor Bill Patalon has called Alibaba a "single-stock wealth machine" and "one of the single greatest wealth opportunities of our lifetime." He sees every share of Alibaba you buy – trading around $264 at the start of December – being worth $2.1 *million* in four decades.

There are three big reasons behind Alibaba's potential…

Why BABA Is a Buy: The Biggest Shopping Day of the Year

Alibaba has turned "Singles Day," an anti-Valentine's Day tradition, into a global shopping event. In November 2020, more than $74.1 billion was spent by more than 800 million people worldwide over Alibaba's networks of sites. It was the most money ever spent on a single shopping event. The number of buyers was more than the combined population of the United States, Mexico, Brazil, and Canada.

That's *more than 7 times* what shoppers spent on Amazon's Prime day this October ($10.4 billion).

The buying was so frenzied that over 583,000 orders were being placed per second at its peak.

There is truly nothing like Singles Day anywhere else in the world. And the holiday is only growing.

Those 2020 numbers represented a 95% increase from 2018.

That staggering sales growth has translated to a significant earnings boost…

Why BABA Is a BUY: Alibaba Is an Earnings Machine

For such a large company, Alibaba is still growing its earnings at a breakneck pace.

For the full year 2020, BABA is expected to earn $7.20 per share. That would be a 29% increase from FY 2019.

Those earnings are expected to climb 23% to $8.80 in 2021 and 27% to $11.24 in 2022.

Those estimates are likely conservative.

After all, Alibaba has crushed earnings estimates by an average of 25% each of the last four quarters.

Revenue is expected to grow at a similar pace. Consensus estimates call for 32% revenue growth in 2020 and 30% in 2021.

It's really no surprise the company has an impressive 32.7% profit margin in 2020. Since its founding in 1999, Alibaba has had one of the most innovative leadership teams in the world…

Why BABA Is a Buy: The Right Leader Is Guiding the Way

Singles Day 2020 was the second since visionary founder Jack Ma left the company.

There was a lot of nail-biting on Wall Street when Ma's retirement was announced in 2018. But in fact, the care with which Ma's succession was handled only demonstrates what an exceptionally well-run company Alibaba is.

CEO Daniel Zhang, who took over as executive chair in September 2019, was the creator of the Singles Day sales event.

Since he became CEO in 2015, Alibaba became the first Asian company to pass $700 billion in market value and has emerged as one of the top 10 most valuable public companies in the world.

Even with Ma's departure, there's no reason to think the company will slow down. Between Alibaba's business model and rapid growth in Asia, this is the online retail giant with the most room to grow in the next few decades.

The Best Tech Stock to Buy Now: Adobe Inc.

Who They Are: Adobe Inc. (NASDAQ: ADBE) is highly regarded for products like Illustrator for creating, editing, and managing graphics as well as Photoshop for managing and editing pictures.

They're products that ***Money Morning*** Defense and Tech Specialist Michael A. Robinson has been using for decades.

Like most technology companies, Adobe continuously updates its offerings. The company keeps them current with contemporary needs like the work-from-home trend that's now expected to be permanent for about 50% of companies even after the pandemic.

Why Now Is the Time to Buy: In a wild-and-wooly market like the one we're navigating now, focusing on a company whose products, services, and technologies you know, like, and use (even more when working from home) can give you one heck of a competitive advantage: You'll zero in on discount stocks before the deep-pocketed investment pros even realize there's a bargain to grab.

That's why Robinson loves the stock so much. Throughout his more than 30-year career, Robinson has relied on Adobe and its suite of products.

Why ADBE Is a Buy: It Knows How to Sell

Back in 2009, the firm quietly began moving from a "sales" model to a *de facto* "rental" model. This means users pay monthly fees on an ongoing basis to gain and maintain access to a range of products delivered via the Web, or "the Cloud."

The timing of this shift was perfect.

It's not just because the global cloud market is growing at 21.4% a year and will be worth $185.8 billion by 2024, according to KBV Research.

It's something far more fundamental. A well-run firm that uses the cloud to deliver software as a service (SaaS) has two factors operating in its favor that hardware companies can only dream about.

The first is high profit margins. The second – which is even better – is recurring revenue: The money literally rolls in month after month after month.

The firm says that – as of the end of this year, when you add up of all its various services – its total addressable market will be $80 billion.

Over the past three years, Adobe has grown its sales an average of 24% annually, meaning the firm is doubling sales roughly every three years.

At that rate, sales could hit $21.3 billion by the end of 2023. By 2026, they could come in at a stunning $40.6 billion.

Why ADBE Is a Buy: Excellent Partnerships

Robinson is always on the hunt for well-run firms captained by top-notch leaders.

One way you can judge that is by looking at key partners. And Adobe is working closely with Microsoft Corp. (NASDAQ: MSFT), one of the world's very best cloud-services players – and a firm that itself made the jump from software publisher to the SaaS model.

Microsoft ranks No. 2 in cloud hosting behind Amazon Web Services. Back in December, Adobe and Microsoft unveiled a sweeping alliance. Adobe Experience Cloud and Adobe Document Cloud integrated with Microsoft's Dynamics 365, Office 365, LinkedIn, and Azure cloud infrastructure services.

The move gives Adobe access to 180 million of Microsoft's commercial customers. Adobe has said it's getting a "phenomenal response" for the Microsoft integration.

Why ADBE Is a Buy: This Stock Could Double Your Money

To find stocks that can jump 100%, you need to look at the firm's earnings, its earnings growth rate – and then calculate how long it will take to double profits.

By doing that, we can figure out how long – on average – it should take for the stock price to double, as well.

With Adobe, after a detailed review of its financials, Robinson projects earnings per share (EPS) will grow by an average 30% over the next three years.

This is a conservative forecast.

The fact is that – over the past three years – Adobe has grown its EPS at an average annual rate of 37%.

That figure dropped a bit in the most recent quarter – but only to 33%.

To be conservative, Robinson reduced his growth-rate estimate to 30%.

By inputting that number into his "doubling calculator" (an equation mathematicians refer to as the "Rule of 72"), we find that the stock should double in 2.4 years (**No. 72/EPS Growth Rate of 30% = Doubling Time Frame of 2.4 years**).

For the 12-month stretch that ended Sept. 2 – when Adobe hit its most recent high of $536.88 per share – the company's shares had risen 72.6%. That's *six times* the return of the S&P 500, which rose 12.1% during that same time frame.

The Best Solar Stock to Buy Now: SolarEdge Technologies Inc.

Who They Are: SolarEdge Technologies Inc. (NASDAQ: SEDG) is one of the world's leading solar companies and our favorite way to play the explosive growth happening in the renewable energy space.

SolarEdge designs, manufactures, and sells direct current optimized inverter systems for solar installations. Solar simply won't work without them, and SEDG makes the best inverters on the planet.

In addition to inverters, the company has also developed a cloud-based monitoring platform to help manage energy consumption. This is a great development since it extends the company's reach beyond manufacturing and into a service essential to solar power.

SEDG is one of the best pure solar plays because it sells its hardware and software to residential solar installations as well as commercial solar installations.

By keeping its addressable market as large as possible, SolarEdge is growing sales at a rapid pace… They're up 52.2% year over year and have averaged 86.3% over the last three years.

If they're able to keep that pace over the next three years, investors could really see some explosive gains from SEDG stock.

Why Now Is the Time to Buy: Renewable Energy Is the Future

When it comes to making money in stocks, it pays to spot trends early. Look no further than work-from-home stocks this year.

That's why we're looking at the solar sector, which is downright unstoppable.

Renewable energy has major advantages over traditional energy sources. It's not controlled by Middle East dictators. It doesn't need to be shipped across the world or mined from under the ground. It can't dry up, and it doesn't pollute the environment.

The only thing that's been missing has been the technology to make it efficient and affordable. That's finally here. And it's creating opportunities left and right. Just look at the money flowing into electric vehicle stocks right now.

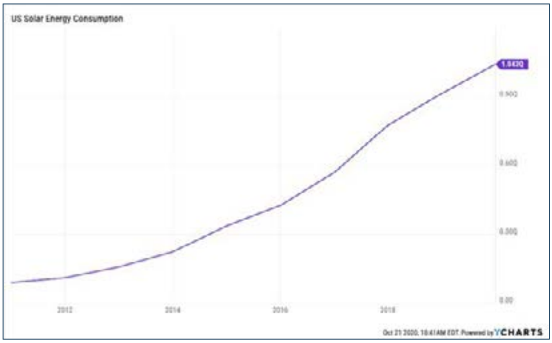
In the case of solar power, there's still massive growth potential ahead.

Right now, over 60% of electricity generation in the United States is from fossil fuels, which means there's plenty of growth left for solar.

Even with the current 30% tariff on Chinese solar panels set in place in 2018, which was originally seen as a major setback given much of the manufacturing is outside of the United States, solar has continued to grow…

Take a look at how much solar usage has gone up in the last decade.

While this looks like we have added a lot of capacity, we still have a long way to go (with a lot of money to be made along the way).



In 2019, solar energy provided only 2% of total U.S. electricity. But we expect that will at least triple to 6%, and possibly quintuple by 10% by 2024.

On top of that, the economics have also gotten better. Solar costs have fallen 82% since 2010, making it a much more affordable form of energy.

As solar costs continue to fall, they'll continue to replace more expensive fossil fuels.

Why SEDG Is a Buy: It Doesn't Matter Who Is President

In May of this year, the Trump Administration greenlit the largest solar project in the United States. The Gemini solar project in Nevada will be a $1 billion, 690-megawatt powerplant with 380 megawatts of battery storage.

During his campaign, President-Elect Joe Biden also promised to rejoin the Paris Climate Accord and get America's electric grid to be carbon-neutral by 2035.

The economic benefits of this changeover, in terms of job creation and GDP growth, could be substantial. But it will nevertheless require massive investments in wind, solar, hydro, biomass, and nuclear power.

While we have seen several solar plants built in the last few years, the Biden-Harris campaign has promised to spend $2 *trillion* on renewable energy.

Within this plan, they want to create a task force to push the install of 500 million solar panels to help reach his goal of 100% carbon-free electricity by 2035, a much quicker goal than the prior target of 2050.

Biden's program also calls for putting in 500,000 electric vehicle charging stations by the end of 2030 and shoring up tax credits for buying electric vehicles.

More to the point, the Biden administration may well create a national solar incentive or mandate similar to California's requirement that new homes be built with solar panels.

Even without that, analysts expect to see U.S. solar installations grow by 42% from now through 2025.

And the most lucrative way to play this is **SolarEdge**. The inverters the company manufactures are absolutely critical for providing consumable solar power. And this company sells the best ones in the business.

Over the past three years, the firm has grown earnings by an average of 30%. At that rate, they're on pace to double in 18 months, not counting the impact of any new solar legislation out of Washington.

The Best Cannabis Stock to Buy Now: Constellation Brands

Who They Are: Constellation Brands Inc. (NYSE: STZ) is the beverage giant behind Corona beer, Ravenswood wine, and Svedka vodka. Since 2017, the company has been expanding into the legal cannabis market. And it's the best cannabis stock to buy before legalization becomes even more widespread.

In 2017, Constellation Brands became the first Fortune 500 company to invest in legal cannabis, buying a $191 million stake in Canopy Growth Corp. (NYSE: CGC). Since then, it has upped its investment to more than $4 billion.

Its favorable position to capture much of the recreational cannabis market has analysts at the ***National Institute of Cannabis Investors*** (NICI) calling it a "stock to retire on."

Why Now Is the Time to Buy: Constellation is a powerhouse company you'll want to keep in your portfolio on a *very* long-term basis – because it's only going to grow every year. Its beverage lineup alone makes it a great buy.

And as the market for cannabis-infused beverages opens up in Canada and elsewhere, its partnership with Canopy gives it a leg up now that cannabis-infused beverages are legal in Canada.

It's more than legalization fueling Constellation Brands' rise. There are three reasons this stock will be making shareholders a fortune…

Why STZ Is a Buy: Constellation Is Already an Outstanding Blue-Chip Company

While many cannabis companies are young startups without a proven track record, Constellation has already built a massively profitable empire with its beverage brands, averaging over $2 billion in profits each of the last four years.

The road to success wasn't always an easy one. Going back to the late 1980s, Constellation lost 70% of its value over three and a half years. But it bounced back in a big way in the 1990s, and it has since acquired some of the most recognized brands in beer, wine, and spirits.

Analysts at NICI have called CEO Bill Newlands and the controlling shareholders, "the best management team of any company in any industry in the world."

Constellation also pays a dividend, which you won't get from any pure play cannabis stocks. The 1.4% dividend yield can help you ride out any turbulence to greater and greater wealth.

Why STZ Is a Buy: Canopy Is One of the Largest Growers in Canada

Constellation now holds a 38.6% percent stake in Canopy. So an investment in Constellation is also an investment in Canopy – which is definitely to investors' advantage.

Canopy was already one of the dominant players in the Canadian medical cannabis market when Constellation made its investment. Canopy has the highest revenue of all Canadian marijuana companies. Now armed with a multibillion-dollar war chest, Canopy has made a slew of acquisitions all around the world.

That includes a deal with U.S.-based Acreage Holdings Inc. (OTCMKTS: ACRGF), which sets up a potential acquisition that will be triggered if the U.S. federal government legalizes cannabis.

The move ensures that Canopy – and Constellation Brands – will be ready to pounce if the U.S. market opens up on a broad scale.

Canopy isn't limiting its scope to North America either. It has acquired cannabis enterprises in European countries as well, including Spain and Denmark. In May 2019, Canopy acquired the German company Cannabinoid Compound Co., or C3, the largest CBD-based pharmaceuticals company in Europe.

At this point, you might be tempted to buy shares of Canopy too. There's certainly nothing wrong with that. But buying Constellation gives you an extra level of profit potential. Here's why…

Why STZ Is a Buy: Cannabis Beverages Are Ready to Explode

Cannabis-infused beverages became recreationally legal in Canada just last December. And they 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 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.

Constellation already has a dominant beverage empire. Add cannabis to the mix, and the sky's the limit.

The Best "Resilient" Stock to Buy Now: Microsoft Corp.

Who They Are: Microsoft Corp. (MSFT) needs no introduction. It's one of the biggest tech companies in the world, with more than 156,000 employees.

The company is a household name due to the success of its software products, as well as its productivity products like Microsoft Office and Office 365 Security. But it's become much more than the software company Bill Gates founded in 1975...

And it's the favorite pick of ***Money Morning*** Technical Trading Specialist D.R. Barton, Jr., right now.

Why Now Is the Time to Buy: "If history has taught us anything, it's that the economy and the market are resilient. In time, we'll get through this crisis," D.R. said.

We've already seen stocks bounce back in a big way, but that's just paving the way for even bigger growth once the economy fully rebounds.

And Microsoft will continue to lead the way.

To this point, MSFT's peak-to-trough drop during the pandemic and resulting economic crisis was only around 27%, and it has rallied well (61%) since mid-March.

Don't expect that to let up either, especially as the economy recovers. Microsoft could be the next company to reach a $2 trillion market cap.

Why MSFT Is a Buy: Its Strong Core

Microsoft was one of the best stocks on the planet going into the pandemic and still will be coming out of it.

A big reason for that is the company's ability to generate cash.

"My favorite fundamental metric for stocks is how much net cash flow from operations they generate because it gives such a pure picture of how the core business is doing," D.R. said.

Here's how those numbers have looked for the past four years: 2016 = $33.3 billion; 2017 = $39.5 billion; 2018 = $43.9 billion; 2019 = $52.2 billion. That's some impressive growth in cash generation.

So, when a COVID-19 vaccine is safely distributed to the masses, MSFT will be one of the biggest winners.

Why MSFT Is a Buy: A Leader in Cloud Computing

Its cloud computing arm continues to thrive, growing revenue and market share faster even than the juggernaut that is Amazon.

Back in 2018, 80% of all enterprises were running their applications through Amazon Web Services (AWS). But by the end of that year, the adoption rate for Microsoft Azure jumped to 58%.Microsoft's Azure even won a coveted $10 billion cloud computing contract with the U.S. Department of Defense over AWS in 2019.

Cloud-computing platforms and services are an essential part of enterprises in today's market – increasing the number of new digital businesses and operating an IT infrastructure for existing conglomerates.

In 2020, 87% of all major enterprises had a multi-cloud system to help manage their operations. And large public companies with over 1,000 employees were spending, on average, over $6 million on cloud-computing technology.

According to Statista, the global cloud computing industry will hit $305 billion by end of 2021. That's up a whopping 25.7% from 2019.

And cloud computing isn't the only industry Microsoft is a major player in…

Why MSFT Is a Buy: The Growing E-Sports Market

Let's not forget the substantial video game segment of MSFT's business, which is getting a major boost from the coronavirus due to the massive amount of people being forced to stay at home.

During this time of social distancing, numerous video game platforms have reported significant spikes in interest, particularly in e-sports.

The new Xbox Series X game console – just released on Nov. 10 – is receiving rave reviews in the gaming community and should provide MSFT with a massive amount of revenue as it's virtually sold out everywhere. The only way to get one now is by paying a premium on **eBay Inc.** (NASDAQ: EBAY) or another second-market seller.

D.R. recommends beginning to take a position in MSFT now, and to continue buying shares on any pullback.

The Best Social Media Stock to Buy Now: Facebook Inc.

Who They Are: Facebook Inc. (NASDAQ: FB) is the most well-known social media company in the world. In fact, as of Q2 2020, the company reported 2.7 *billion* monthly active users. That's over one out of every three people *on Earth* (7.8 billion).

The company was famously founded at Harvard University in 2004 by a group of students, including now billionaire Mark Zuckerberg.

In less than two decades, it has become an $800 billion-plus company and could easily be one of the next stocks in the "trillion-dollar club" with Apple, Amazon, Microsoft, and Google.

Facebook is also one of the most attractive stocks to buy now, according to Bill Patalon.

Why Now Is the Time to Buy: Now that we're dealing with a relatively risky market at all-time high valuations, finding "low risk" stocks can help build a strong portfolio foundation.

As Bill points out, Facebook checks three important boxes for "low risk" stocks.

1. It is trading at a discount – down nearly 10% from its peak.
2. It has a hefty "margin of safety" – with a ton of cash and no debt.
3. It has a big upside – the stock should *easily* double by 2025, a great return for a stock with lower downside risk.

Each of those reasons alone is a great reason to buy a stock. But adding them all up makes FB one of the top stocks to buy today…

Why FB Is a Buy: Facebook Stock May Never Be Cheaper

Bill initially recommended Facebook stock along with ***Money Morning*** Capital Wave Strategist Shah Gilani back in February 2014. At the time, it was trading at just under $69.

The stock soared from there.

At the peak of the "Super Bull," it traded north of $224 – for a peak gain of 225%.

Of course, the stock has sold off and started Q2 2020 near $145 per share. Now, it's up 93% to $280 per share.

"For a dyed-in-the-wool contrarian investor like me, a decline of that magnitude in an innovative leader is an unqualified 'interest-peaker,'" Bill said. "And make no mistake; I *am* interested. That's because in today's coronavirus-ridden, crisis-mode market, this is the kind of stock you want to have in your portfolio."

Why FB Is a Buy: Facebook Has a Massive "Safety Net"

"Classic value investors like Benjamin Graham and Warren Buffett talk extensively about a 'margin of safety' – cash or other assets that provide a company with a cushion against times of trouble," Bill said. "That kind of a financial 'safety net' is great at any time. But during a stretch as uncertain as this one, it can mean the difference between a firm's success or outright failure."

That cash can be used to cover lean periods, to effectively increase earnings per share via stock buybacks, to boost dividends (which is not an issue with Facebook, since it doesn't yet pay a dividend), or to finance – innovation for future growth.

"Cash can also create opportunities: During bear markets, when share prices are down, or during economic downturns or outright recessions, a war chest of cash can allow a company to buy competitors, new technologies, or companies that will pave the way into new venues," he said.

At the close of Q3 2020, Facebook had $55.6 billion in cash and short-term investments. And that's "net cash," since Facebook has essentially no long-term debt to speak of. That's plenty of cash to invest in growth, which brings us to our next point…

Why FB Is a Buy: Facebook Stock Could Double Your Money

One of the biggest catalysts for Facebook stock is the additional franchises the company has added.

"It's going to better utilize Instagram and WhatsApp – platforms that each boast active daily user bases a billion strong," Bill explained. "The company's Watch TV platform also has great promise. And Facebook has designs on the online dating market in the bigger, developed economies."

Despite controversies that still linger from the last election, Facebook is also one of today's biggest digital advertising platforms – a fact that's only aided by the loyal user base the company possesses.

The coronavirus pandemic may have hindered Facebook's ad revenue in the short term. But it's already come roaring back…

In Q4 2019, Facebook reported $21.08 billion in revenue – almost all of it from advertising. In Q1 2020, revenue dipped to $17.74 billion. But it increased to $18.69 billion in Q2 2020. And now it's already higher than Q4 2019 – at $21.47 billion in Q2 2020.

But other pandemic-related gains could provide an even longer-term tailwind…

In March 2020, Facebook said total messaging across its ecosystem has rocketed 50% across countries where the virus was escalating – with video messaging on Messenger and WhatsApp more than doubling. In Italy, time spent on Facebook has soared 70% during the pandemic, ***MarketWatch*** reported.

"Even when using especially conservative numbers, I still believe that it will allow Facebook shares to zoom about 126% over that stretch of time," Bill said."The table below illustrates projected earnings-per-share (EPS) growth on a year-by-year basis. By using the April 2020 trading price of $174 as the baseline and projecting stock-price growth in lockstep with EPS growth, we get to a stock price of nearly $394 in 2025."

Bill thinks this could even be conservative…

Fiscal Year	Estimated EPS Growth	Projected FB Price @ Year End
2020	8.19%	$188.27
2021	18.34%	$227.80
2022	19.25%	$265.69
2023	13.23%	$300.83
2024	11.12%	$334.29
2025	17.86%	$393.99

"I'll be candid: This is an overly simplistic way of "modeling" the company's financial trends and forecasting its share price," he said. "But I wanted to find an easy-to-comprehend way to show how Facebook's profits – and its stock price – could advance over the next five years."

Gains of this magnitude – on a low-risk stock with a huge margin of safety – make this a winner.

The Best "All-Around" Stock to Buy Now: Apple Inc.

Who They Are: Apple Inc. (NASDAQ: AAPL) is another household name, and one of the favorite stocks of ***Money Morning*** Executive

Editor Bill Patalon. Even after the COVID-19 sell-off, AAPL still has a market share of nearly $1.2 *trillion.* And just five months later, it has become the first $2 trillion company in the world.

Apple is best known for its tech devices, including the iPhone, Mac computer, iPad tablet, Apple Watch, AirPods, Apple TV, and Beats headphones. But the company is more than its devices.

Apple is renowned for its Apple Care support services, digital content streaming services, cloud storage, and even the cashless payment service Apple Pay.

Founded in 1976 by Steve Jobs, Steve Wozniak, and Ronald Wayne, the company is now run by one of the world's most recognizable execs, Tim Cook.

Why Now Is the Time to Buy: Because of Apple's long-term performance and reliability, Bill considers it one of his "Accumulate" stocks. That means it's a stock you can keep buying more of year after year to increase your wealth.

"The pioneer and perfector of the 'ecosystem' strategy, Apple sells more than just tech – it sells an end-to-end way of running your life – from work, to health, to communication, to entertainment," Bill said. "Apple's innovative array of devices, software, and services work together seamlessly, which has cemented its reputation for ease of use."

From its all-time high in February, AAPL dropped 29% (at its lowest) during the coronavirus sell-off. But in the nine months that followed, it has already rebounded 130%.

Why AAPL Is a Buy: It's More Than Its Devices

Apple is not just 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, hit $13.35 billion in Q2 2020. That puts them on pace for a record $53.4 billion annually.

Overall, the company is expected to bring in an astronomical $315 billion in revenue in 2021. That's an increase of 11% from full-year 2020 numbers, which will include sales of the latest 5G iPhone 12 in Q4 2020. In 2022, revenue is expected to jump a conservative 8.5% to $342 billion.

Why AAPL Is a Buy: Apple's Sights Are Set on Healthcare

Growth estimates for Apple are healthy – but we see it as underestimating the profit potential here.

In 2019, Morgan Stanley (NYSE: MS) did a deep dive on Apple's healthcare opportunity. The investment bank concluded that healthcare could add anywhere from $15 billion to $313 billion annually to Apple's top line. The report pegged the midpoint at $90 billion of additional revenue by 2027.

Revenue for Apple's 2019 fiscal year (which ended Sept. 30) was $260.17 billion. So if the Morgan Stanley report is right, that represents a revenue increase of nearly 35%.

And even though we've focused on "services" so far, Apple's devices are still an absolute cash cow…

Why AAPL Is a Buy: Device Sales Are Rock Solid

"The company's roster of devices has grown from the venerable **Mac** to the **iPhone**, the **iPad**, and the **Apple Watch**, while it has added lucrative services like the **App Store**, **Apple Music**, and the new **Apple TV Plus** streaming service," Bill said.

With 5G here, we are seeing a whole new 'upgrade cycle' heading our way – especially as a coronavirus vaccine gets distributed.

Plus, Apple's hardware sales continue to expand the installed base of Apple users. In Q4 2019, the company said half the customers who bought a Mac were new to the platform.

Investors should expect this new customer conversion rate to remain similar in 2021 as the company began releasing new Macs with its own Apple M1 computer chips in November 2020. This will also increase profitability because the company will no longer need to purchase and install computer chips from **Intel Corp.** (NASDAQ: INTC).

The installed base matters because all those users – approximately 1 billion people own at least one Apple device – are also signing up for Apple's services. And that's where most of its revenue growth is coming from now.

That revenue growth has made Apple one of the richest companies in the world.

Not to mention, the company has a $191.8 billion war chest of cash on hand that it can use to dominate whatever market it wants next and pays investors a reliable 0.66% dividend.

A Lifetime of Profits

***Money Morning**'s* track record is impeccable.

The companies we've shared with our readers have climbed 146% in seven months, 161% in 12 months, and 288% in 10 months… and our longer plays have risen more than 600% and even 1,300%!

And now, you'll get recommendations like these sent right to you every morning.

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BUY THIS, NOT THAT: The Best (and Worst) Stocks in America

Money Morning's brand-new chief investment strategist is going live in his first-ever segment of BUY THIS, NOT THAT.

In 30 minutes or less, Shah Gilani is going to run through all 50-plus stocks you should know about – for better or for worse.

Shah is not holding back; prices, tickers, and company names will be coming your way *fast*.

Be ready to take notes! **Watch now**...

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Also, by the time you receive this report, there is a chance that we may have exited a recommendation previously included in our portfolio. Occasionally, this happens because we use a disciplined selling strategy with our investments, meaning that if a company's share price falls below a certain price level, we immediately notify our subscribers to sell the stock.

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