3 Robinhood Stocks that Analysts Think Will Move Higher

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Robinhood has been the most used platform by Millennials for stock trading due to its zero-commissions policy. As more and more Millennials are starting to take an active interest in the stock markets, the Robinhood platform has climbed to more than 13 million users. This can be attributed to the rallying stock market over the last two quarters despite economic weakness. With rising rates of unemployment and remote working freeing up more screen time, a large proportion of millennials have taken up active trading.

It should be no surprise that the tech savvy generation has taken a liking to some of the biggest tech stocks in the world. While many investors are shifting their focus to outdoor stocks in light of recent coronavirus vaccine approval and a potential broad rollout of vaccinations very soon, Millennials have been taking advantage of the market dip because they expect the prices to rebound in the foreseeable future.

While the vaccine’s development did lead to a tech sell-off last month, analysts expect big names in this sector to recover quickly as the services offered by these companies are likely to remain in demand.

With most millennials trading heavily in the biggest tech

companies, Amazon.com, Inc. (**AMZN** – *Get Rating*), Visa, Inc. (**V** – *Get Rating*) and Sony Corporation (**SNE** – *Get Rating*) have secured their position in the top 20 of 100 most popular stocks on the Robinhood platform.

Amazon.com, Inc. (AMZN – *Get Rating*)

As the largest e-commerce company in the world, AMZN has been one of the biggest gainers in the pandemic. With average trading volume of 4.82 million, AMZN is the fourth most actively traded stock on the Robinhood 100 list.

Despite gaining 67.8% year-to-date, analysts expect AMZN to move higher over the coming months. This is due mainly to a rampant second wave of coronavirus infections that has hit most countries around the world. Analysts expect AMZN's price to reach $3830.49, indicating a 20.2% rise from the current price.

This comes in despite the current antitrust charges levied against the company by the US government and European Union because the company has been implementing an ambitious expansion strategy to increase its market reach. AMZN is currently building multiple fulfilment centers across the country, as well as developing its cloud services segment (AWS). As the demand for cloud services continues to rise amid the remote working and learning culture, AWS has emerged as one of the top three largest cloud computing companies and is poised to expand further into the Indian and European markets.

AMZN launched Amazon Pharmacy for online prescription medication sales on November 19. The online drug sales e-commerce platform delivers several savings benefits, with up to 80% savings on no-prescription medication. With a second wave of COVID-19 raging across the US, coupled with high unemployment, AMZN pharmacies should witness high demand as

people order medication online to garner savings while remaining socially distant.

AMZN's net sales have increased 37% year-over-year to $96.10 billion in the third quarter ended September 30.Net income grew 200% from the year-ago value to $6.30 billion, while EPS rose 192.4% from the same period last year to $12.37.

The consensus EPS estimate of $7.09 for the quarter ending December 31 represents a 9.6% rise year-over-year. The company has an impressive earnings surprise history; it beat the Street EPS estimates in three of the trailing four quarters. The consensus revenue estimate of $119.44 billion for the current quarter represents a 36.6% rise from the year-ago value. AMZN gained more than 115% to hit its 52-week high of $3,552.25 in September since hitting its 52-week low of $1626.03 in March.

How does AMZN stack up for the POWR Ratings?

B for Trade Grade

B for Buy & Hold Grade

A for Industry Rank

B for Overall POWR Rating.

The stock is currently ranked #17 out of 59 stocks in the Internet industry.

Visa, Inc. (V – *Get Rating*)

V is one of the largest global financial payments processing companies in the world. It has been thriving in the pandemic. As the demand for online transactions have increased significantly under the lockdown, customers and merchants have adopted virtual payments across the globe. V's position as the largest commercial payments card network has made it one of

the most actively traded stocks in the US, with an average trading volume of 7.89 million. It is currently ranked #18 in the Robinhood 100 list.

With the technological advancements currently underway, most developed countries have become virtually cash free, while developing and underdeveloped parts of the world are witnessing a significant rise in the digital transactions volume. With many countries now developing and testing their digital currencies, V's industry knowledge as the leading payment processor is key in facilitating international transactions through this means.

Analysts expect V's price to rise 8.15% to $225 in the near future. The company's recent acquisition of YellowPepper and Plaid contributes heavily to this bullish expectation because it allows V to strengthen its position as a global industry leader. On November 23, the company entered a strategic partnership with Visa Commercial Pay to streamline transactions in the B2B segment. This should bring in a higher volume of customers for V, as most businesses are currently operating remotely.

V's payments volume and processed transactions increased 4% and 3% year-over-year, respectively, in the fiscal fourth quarter ended September 30. Revenue from the data processing segment rose 4% versus the same period last year to $2.88 billion, while revenue from the "Other" segment grew 5% from its year-ago value to $361 million.

The consensus EPS estimate of $5.45 for the current year represents an 8.1% rise year-over-year. The company has an impressive earnings surprise history as well; it beat the Street EPS estimates in three of the railing four quarters. The consensus revenue estimate of $23.22 billion for the current year indicates a 6.3% rise from the same period last year. V has gained more than 50% since hitting its 52-week low of $133.93 in March.

It is no surprise that V is rated “Strong Buy” in our proprietary POWR ratings system, with an “A” for Trade Grade and “Buy & Hold Grade, and “B” for Peer Grade and Industry Rank. In the 96-stock Consumer Financial Services industry, V is currently ranked #1.

Sony Corporation (SNE – *Get Rating*)

SNE operates in multiple segments in the virtual entertainment industry –from developing hardware such as television, cameras and play stations to designing and producing gaming software, motion pictures and music. Based in Japan, SNE has become a household name in most parts of the world. The company is the fifth most actively traded stock on the Robinhood platform, with an average trading volume of 1.09 million.

Analysts expect SNE to gain 7.3% to hit $100.65. The company’s diversified product range and international market reach makes it well positioned to grow despite macroeconomic factors because it enjoys substantial brand loyalty. The company launched PlayStation 5 in November, which has already proven to be a big hit. It is currently working on the Airpeak project, which designs and manufactures drones for commercial purposes. This, coupled with its recent acquisitions of anime developer Ellation Holdings and media production company Nevion, should drive the business to new highs.

SNE’s operating income rose 14% year-over-year to ¥317.80 billion in the fiscal second quarter ended September 30. Its adjusted EBIT grew 14% from the same period last year to ¥299.60 billion, while net income increased 145% from the year-ago value to ¥459.60 billion.

The consensus EPS estimate of $0.31 for the next quarter ending March 31, 2021 indicates a 210% rise year-over-year. Moreover, SNE beat the Street EPS estimates in three of the trailing four quarters, which bodes well for the stock. The consensus revenue estimate of $19.10 billion for the next

quarter indicates a 21.4% rise from the same period last year.

SNE has gained more than 85% since hitting its 52-week low of $50.94 in March. The stock hit its 52-week high of $94.97 earlier today.

SNE is rated “Strong Buy” in our POWR Ratings system, with an “A” for Trade Grade, Buy & Hold Grade and Peer Grade, and “B” for Industry Rank. It is currently ranked #1 of 21 stocks in the Entertainment – Media Producers industry.

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AMZN shares fell $1.70 (-0.05%) in after-hours trading Friday. Year-to-date, AMZN has gained 68.65%, versus a 15.44% rise in the benchmark S&P 500 index during the same period.

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