



Attention Investors: Here's a Growth Stock That's up More Than 20%

Description

As part of a well-diversified portfolio, investors would be well advised to reserve a spot for high-growth companies that may be riskier than the rest of the portfolio, but that provide the potential for big returns.

I would recommend a basket of such stocks, and depending on potential ideas and tolerance for this risk, this could total three to five stocks.

Let me take the opportunity here to discuss two such names that I see as having big potential going forward.

There's been no shortage of news and articles on **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)), which has been a formidable growth stock this year, with an 89% year-to-date return. And with revenues in the last quarter increasing 75% compared to the prior year, the company is clearly in growth mode.

Shopify is in the stage of trying to actually turn a profit from what is and has been a booming business. And while losses at the company are lessening, with the second quarter reporting an operating loss of \$15.9 million, investors are still waiting.

But the stock is pricing in much of the good news, and then some. At over \$145 at the time of writing, the stock trades at 23 times sales and 12 times book value. I would prefer to sit on the sidelines with this name and be ready to buy on weakness.

Now take a look at **Ballard Power Systems Inc.** ([TSX:BLDP](#))([NASDAQ:BLDP](#)). Yesterday, it rallied more than 20%. And while this stock has been on a tear this year, with a year-to-date return of 137%, I see the stock setting up to go even higher.

Cleaner fuel cells

The company recently made an announcement that in conjunction with environmental and energy company Nisshinbo, it has developed a non-precious metal catalyst for use in its fuel cell products.

So, what does this mean?

Well, this metal will replace platinum in fuel cells, and since platinum contributes 10-15% of a fuel cell stack, it is very meaningful in that it will reduce the use of platinum by 80%. And this reduction in the amount of platinum being used in fuel cells will translate into higher performance at a lower cost.

And while, like Shopify, the company is still reporting losses, the losses are reducing, and the opportunities are growing. The company continues to make progress, diversify, and to build scale.

Management has also mentioned M&A as a possibility in the 2017-2018 time frame, and this could be a game changer.

Ballard is hosting its Investor Day today, at which time investors can get an update.

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