



3 High-Growth Stocks That Are up 20% in 2018

Description

If you are looking to achieve long-term capital appreciation, then growth stocks are the way to go. Dividend stocks can offer you less volatility and perhaps more stability in cash flow, but you just won't see the same returns as you would with stocks that focus on growing and reinvesting in their operations and that don't distribute out cash to shareholders.

For that reason, I've identified three high-growth stocks below that are already up 20% to start the year and could still have a lot of room to grow. These would be great additions to your portfolio that you can hold for years.

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) could see tremendous [upside](#) this year, as it continues to grow its sales and expand its reach to more vendors around the world. While the knock on the company is that it's still unable to turn a profit, investors will be attracted to its top-line growth.

In just two years, Shopify's sales have more than tripled, and just last year sales were up 73%. Although the company's rate of growth has started to slow down, if Shopify sees a similar rate of increase in 2018, then it will break through \$1 billion in sales, which is a big plateau for a company that, in 2013, had only \$50 million in sales.

Investors will be paying a premium for the stock, as it trades at 13 times its book value and more than 20 times its sales in the last 12 months. However, Shopify is quickly becoming one of the top stocks on the TSX and has even received praise from a [high-profile CEO](#) south of the border.

In the past year, Shopify's stock has risen more than 50%, and that is after a big sell-off happened earlier this year when it peaked at over \$200 a share. Year to date, the stock price has increased 20%.

North American Palladium Ltd. (TSX:PDL) is another high-flying stock on the TSX, as its share price has nearly doubled in the past 12 months and, year to date, it is up already more than 40%. For investors that are unfamiliar, palladium is found in car exhaust systems, and demand for palladium has been on the rise as car sales continue to increase.

Although palladium has come down from the highs it reached earlier in the year, at nearly \$1,000 per

ounce, it is still up ~40% in the past five years. The commodity price is a big reason North American Palladium has enjoyed significant success lately and why it could continue to grow.

Stars Group Inc. (TSX:TSGI)(NASDAQ:TSG) is another stock that could earn you significant capital appreciation in the years to come. The company behind the PokerStars brand continues to build on its growth and with another couple of acquisitions already under its belt for 2018, Stars Group is setting up its top line to be even stronger and more diversified in the years to come.

Since 2014, the company's sales have more than doubled, and it has also been able to turn a healthy profit in each of the past three years. The stock has attracted a lot of hype recently, as the share price has grown 80% in the past 12 months, while year to date it has risen nearly 50%.

CATEGORY

1. Investing

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1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

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Author

djagielski

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