

3 Growth Stocks I'd Buy Today

Description

Growth stocks have a lot of upside. What attracts investors to these stocks is their potential for strong long-term returns. A good example is how well cannabis stocks have soared even though they haven't accomplished nearly as much as other companies with similar market caps. It's all about potential and expectations, and investors are willing to pay a big premium for future growth, uncertain as it may be.

For that reason, I've listed three growth stocks below that I see as good, long-term investments that could be great assets to have in your portfolio for years, maybe even decades.

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)) might seem out of place on this list given that it's a bank stock, but there's good reason to expect a lot of growth from this company. Last year, the CIBC purchased PrivateBancorp. The acquisition will help grow the bank's business south of the border, where its presence has been minimal up till now.

The results are already showing: in its most recent quarter, CIBC's net revenues were up by more than 10% and [Q2](#) was showing strong results as a result of the U.S. acquisition as well.

CIBC is a perfect bank stock to own because not only can you benefit from a lot of growth still to come, but it also pays a great dividend of over 4.5%. A yield that high is rare for a bank stock.

Magna International Inc ([TSX:MG](#))([NYSE:MGA](#)) has been struggling over the past three months. Its share price has declined 20% as concerns about tariffs in the industry have resulted in a bit of a sell-off.

One reason this doesn't concern me is that I don't believe that the policies the U.S. government implements today will have any staying power, as a new administration could quickly reverse them in the name of better trade relations. So while in there are some real concerns in the short term, I wouldn't let them distract me from what's still a very good stock.

Magna has been making some great progress in self-driving technologies and is going to be a big player when we see autonomous vehicles become more mainstream. With plans to expand into China, the growth potential could be significant.

The stock trades at only 1.5 times book value and less than eight times its earnings, making it an appealing buy for both growth and value investors.

Spin Master Corp ([TSX:TOY](#)) is another company that's looking to expand into [China](#), and with some strong brands, including PAW Patrol and Hatchimals, it can continue to grow in many ways. Spin Master has proven that it knows how to build sought-after brands that can command significant market share. That's an important attribute for a growth stock.

The stock has been down 12% in the past three months, and while it may be a bit expensive compared to the other two stocks on this list, its significant growth potential helps make up for that, as the stock could still generate significant returns over the long run.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:MGA (Magna International Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)
4. TSX:MG (Magna International Inc.)
5. TSX:TOY (Spin Master)

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