Millennials: 2 Sexy Growth Stocks to Propel You to a $500k TFSA or RRSP

Description

Betting on what's deemed as "sexy" at a given point in time can be hazardous to one's wealth. Doing so can lead newcomers to cryptocurrencies, marijuana stocks, overleveraged derivatives, or other dangerously expensive instruments that could stand to blow-up a TFSA or RRSP fund without warning.

That's not to say all sexy growth plays should be avoided, however. The stocks that I'm going to cover in this piece are hot plays that have just started to lose their appeal. Despite the recent cooling of their shares, from a longer-term perspective, I still think each name will remain a talked-about growth story for many years (or decades) regardless of whether growth stocks are in or not.

Without further ado, consider **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS), and **Shopify** (TSX:SHOP)(NYSE:SHOP), two stocks that have recently faded into the background after spending a considerable amount of time in the media spotlight.

Canada Goose

The maker of the popular down-based parkas was one of the sexiest stocks over the last few years, with shares more than quadrupling up from the IPO price to the peak.

What caused shares to flop such that shares are now a triple from IPO levels? Canada Goose's Chinese expansion may be in jeopardy should a potential trade war begin brewing Canada and China. While the Goose is undoubtedly a sought-after brand in the Chinese market, the Chinese government could ban the parka — a massive gut-punch to the Goose, which has been preparing to spread its wings in China for quite some time now.

The Chinese risk is real, and negative headlines could send the stock into a tailspin. If you're in it for the long haul, however, the Goose is a solid bet that could pay massive dividends down the road, especially if the Goose doesn't get shot down by Chinese regulators.

Shopify

I find it quite remarkable that Shopify was able to shrug off the onslaught of short attacks just over a year ago. A lack of transparency with regard to churn rates, the large number of unscrupulous subscribers, and the severe overvaluation (price-to-sales north of 22) were three major concerns that made it difficult to put money on the stock.

Fast forward to today, and none of the concerns have been addressed. Nonetheless, the stock has taken off to, much to the dismay of the short sellers. I've been a harsh critic of Shopify for quite some time, and although it'd be nice to have greater visibility into Shopify's subscriber base, I can't help be intrigued by the innovations going on at the Canadian tech sensation.

The company is innovating far more than most of its peers in Silicon Valley — so much so such that American investors have expanded their horizons to include the SMB (small-and-medium-sized business) e-commerce player into their portfolios. With work going on behind the scenes involving AR and AI, together with the fact that **Amazon.com** backed off Shopify's turf makes a strong case for why Shopify should be a must-own stock despite its ridiculously expensive multiple.

Shopify remains a speculative growth bet, but a compelling one for the growth-savvy. Should shares take another big dip, I'd encourage investors to get some skin in the game if they haven't already. The company isn't without its flaws, but the technologies being worked on are encouraging.

Foolish takeaway

Both Canada Goose and Shopify are red-hot stocks that have cooled a bit of late. Should they cool further, I'd be a buyer of both, as they're both capable of supporting high double-digit sales numbers over the next decade (and potentially beyond).

A TFSA or RRSP with significant holdings in either company will be on the fast-track to $500,000, but investor beware, it'll be a rocky road forward!

Stay hungry. Stay Foolish.

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