2 High-Growth TSX Stocks That Are Just Getting Started

Description

So far, 2019 has been a huge growth year for the Toronto Stock Exchange. After years of lacklustre gains, the TSX seems to have hit its stride, having risen 15.8% year to date. Although the current year's gains are mainly thanks to a rebound after last year's correction, the TSX has been hitting all-time highs, so there's more going on here than just a recovery.

So far this year, you could have gotten a pretty hefty return just by buying the TSX through any of the low-fee index funds available. However, there have been plenty of opportunities to beat the market as well. Some of this year's TSX growth superstars have beaten their peers on the NYSE and NASDAQ, rising as much as 60% in a single quarter.

And there's plenty of reason to believe the growth can continue. Some of the TSX's growth superstars have the earnings growth needed to back up their meteoric gains, and many are not just growing but accelerating. If you want to pocket some decent gains in your TFSA this year, the following two stocks could make excellent picks.

Shopify (TSX:SHOP)(NYSE:SHOP)

Shopify is Canada's hottest tech stock at the moment, having risen over 50% year to date and 750% since its IPO.

If you'd invested $10,000 in Shopify's IPO, you'd have $85,000 in the bank today. What's driving these huge gains? That would be equally huge growth in the underlying business. In its most recent quarter, Shopify grew earnings by 54% year over year, while growing its merchant solutions business by 63%.

These are growth figures you don't see every day. But what's even more impressive is the fact that Shopify may have still more room to grow. In 2018, the company opened Shopify payments to 11 new countries, meaning that it's only just beginning to take payments in these non-core geographies. Should these and other growth initiatives work, Shopify may keep growing at high double digits well into the future.

Canada Goose Holdings (TSX:GOOS)(NYSE:GOOS)

Canada Goose is one of Canada's hottest clothing stocks, having risen 22% year to date on the popularity of its expensive Winter parkas. The company is growing like wildfire, having increased revenue by 50% and earnings by 61% in its most recent quarter.

Canada Goose faces some long-term concerns pertaining to the **Huawei** controversy and the arrest of Meng Wanzhou. However, it's been almost half a year since Wanzhou was arrested, and Canada Goose is not visibly slowing because of Chinese boycotts. Additionally, the company's dependence on China has been somewhat overblown. Canada is still overwhelmingly the largest market for Canada Goose parkas, while the United States is the second largest. Of course, China is the company's biggest potential growth market, as it has the largest population of all the countries it operates in. However, the idea that the company will begin to falter if Chinese growth slows may be exaggerated.

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Date

2025/07/07
Date Created
2019/04/29
Author
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