



## 3 High Growth Stocks That Are Just Getting Started

### Description

It can be scary buying a stake in a company that is relatively unknown. The excitement builds up around a stock, and it could go either way once an initial public offering happens.

But then that stock takes off, and investors sit there with a slew of regret. But that doesn't have to be the case.

There are some stocks out there that while they have seen tremendous growth already, are really just getting started when it comes to share and overall growth. But be careful. With a recession risk on the rise for this summer, it might be best to add the following three stocks to your watch list and wait for prices to fall before buying up these stocks.

### Shopify

It's no secret that **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) has been [on a tear](#) since the beginning of the year. Despite analysts' warnings, investors seem to just want more and more of this e-commerce stock and it's easy to see why.

Shopify's revenue has increased quarter after quarter, most recently seeing a 50% increase of revenue compared to the same time in 2018. The company also saw a 40% increase in its subscription solutions, which is high-gross-margin, recurring revenue for the company.

Revenue from merchant solutions also came in strong, jumping 58%, and that's where analysts believe it's only the beginning. This area has so much more room to grow, and could provide even further recurring revenue for the company.

Of course, analysts have been saying it's completely overvalued, trading at about \$410 as of writing. Its fair value is closer to \$210 per share, a drop of almost 50% for investors — and something that could happen soon should a recession hit.

## Cargojet

Next up we have **Cargojet Inc.** ([TSX:CJT](#)), which is trading near its 52-week high of \$88 per share at the time of writing. This comes from the cargo-flying airline's recent positive announcements, such as a Canada Post contract that's in the bag until at least 2025, and a partnership with rapper Drake as brand ambassador.

The company has been performing to perfection over the last number of years, with revenue increasing 12% for the first quarter, and 18.8% for the full 2018 year, and that growth should only get stronger.

This comes from the increasing demand for e-commerce products such as Shopify. As e-commerce continues to grow, so should businesses like Cargojet that ship products across the world.

While analysts believe the stock is overvalued, with a share price around \$75 being more accurate, it also believes the stock should rise to \$120 per share in the next 12 months. Honestly, even if there is a market drop, this is a great buy-and-hold option that is just getting warmed up.

## Air Canada

Finally, we have **Air Canada** ([TSX:AC](#)), another stock trading near its [52-week highs](#) at the moment. There are a number of reasons for the stock price jump, but much of it comes down to two factors.

The first is rival **WestJet** going private, and the second is the company's recent purchase of **Air Transat**, which was recently finalized. But there are other reasons investors love this stock.

The company has recently reinvested in fuel-efficient aircraft that should bring costs down for the long term, with revenue rising 11% for the 2018 year. But this is still only the beginning of the company's recent growth.

As oil and gas rebounds, and the loonie rises yet again, both should provide an opportunity for further growth in this stock. Cheaper gas means cheaper costs, and a higher loonie means Canadians can spend money on travel again.

Yet as with the other stocks, analysts believe that the stock is overvalued at a \$40 level, and believe it should be around \$33 per share. However, the next 12 months have analysts predicting the stock to rise to over \$50 per share. As with Shopify, investors may want to wait for a drop before buying up this stock.

## Foolish takeaway

As always, investors should do their own research before buying up any stock. However, all three of these stocks should absolutely be added to your watch list. If a dip occurs, investors could stand to make a killing on these stocks that are just getting warmed up.

## CATEGORY

1. Investing
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2. TSX:AC (Air Canada)
3. TSX:CJT (Cargojet Inc.)
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