



3 Hot Growth Stocks I'd Buy Right Now

Description

There's often much hype surrounding growth stocks, especially when they're part of the **S&P/TSX Composite Index**. Some analysts warn against them, while others swear by them, leaving investors unsure of what to do.

But while there are some growth stocks out there that have likely reached a peak, there are still some that – while at a high – can still climb much higher. Mainly, what an investor needs to look for is a solid business model that allows room for even more growth. That's why I'll be focusing today on three stocks that deserve the hype.

Kinaxis

As it's initial public offering (IPO) back in 2014, **Kinaxis Inc.** ([TSX:KXS](#)) shares have skyrocketed 524% in just five short years. Investors who took advantage of the market dip back at the end of 2018 also saw a huge boost, with the stock up 25% year to date.

The last five years have been big for both the company and investors, as the developer of supply chain, sales, and operating solutions has been acquiring businesses left, right, and centre. The secret sauce Kinaxis provides is its [global leadership](#) in artificial intelligence technology, and how it applies it to supply chain management.

This has recently been bringing on clients far beyond North America, and it appears that the company is only getting started. The company gets almost half its revenue from its 10 largest clients, so expansion is necessary if this company is to thrive.

Dollarama

While its stores may provide cheap goods, the stock has moved far away from being cheap, leaving many investors wondering whether **Dollarama Inc.** ([TSX:DOL](#)) is worth the investment. Since its IPO back in 2009, the stock has soared 1432% as of writing, with a 57% increase since the beginning of

the year.

The stock got a boost in the past few years as the company continually opened stores that boosted its revenue every quarter. With 1,200 stores across every province, the recent fiscal year brought in \$3.5 billion.

As all that growth was coming from the opening of stores, investors have started to become concerned as to whether this momentum can be continued once all the stores are opened.

But there are two points investors should look at. First, that 1,200 stores could absolutely be increased to 2,500 or even 3,000 stores across Canada. Second, the company will now be international after collaborating with Dollarcity in Central America and purchasing a majority stake of 50.1%. This partnership may start out small, but management hopes they can turn Dollarcity into a store as popular as Dollarama, with 600 location by 2029.

Fortis

Finally, we have electric utility company **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)), which has come a long way since its IPO back in 1995, growing 750% as of writing in that time and 17% since the beginning of the year.

Now the main factor driving recent movement is an impending recession. The yield curve inversion has many investors worried, causing the rest to flock to operators such as Fortis. Utilities are a great place to buy up and hide during a potential recession, and Fortis is at the top of the heap.

The company has an incredible management strategy that has allowed it to outperform the rest of the utilities sector. And let's face it: with a huge customer base that needs electricity, there won't be a sudden decrease in revenue like there might be with other stocks.

People need to keep the lights on, making Fortis a strong investment. But as the company continues to acquire more businesses and invest more in renewable energy, Fortis is setting itself up to be a [growth king for decades](#).

Foolish takeaway

While there are many stocks that tout themselves as growth stocks — and they very well might be — there are few with the potential to make it long term. These three stocks have what it takes to not only give you more cash in the short term, but also have the momentum to keep growing for decades to come.

CATEGORY

1. Investing

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2. TSX:DOL (Dollarama Inc.)

3. TSX:FTS (Fortis Inc.)
4. TSX:KXS (Kinaxis Inc.)

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