TFSA Investors: 2 Growth Stocks I'm Buying If the Market Selloff Gets Worse

Description

During turbulent economic times, investors usually want to dial back risk and retreat to stable income vehicles. However, recent history has shown us how rewarding it can be to buy growth stocks on the dip. For example, **Shopify** fell to $160 per share during the sharp correction in late 2018.

The stock achieved a record high of $786.07 in 2020. Investors who bought into the dip were rewarded handsomely. There were other good examples of this phenomenon in late 2018.

That's not to say that this correction is the same, however. The COVID-19 outbreak is a crisis that could destabilize the global economy in the near term. Until officials get a handle on it, COVID-19 will up the level of risk in the markets.

Today I want to look at two growth stocks in sectors that hold promise. Should investors look to buy the dip in early March? Let's dive in.

Knight Therapeutics

Over the past several years I'd discussed why long-term investors should seek exposure to biotechnology stocks. Health care is a fast-growing sector in North America, and biotherapeutics is the fastest-growing subsector.

Knight Therapeutics (TSX:GUD) is a specialty and generic drug manufacturing company. Shares have dropped 11% over the past month as of close on March 5.

In late November, Knight announced the closing of its acquisition of Grupo Biotoscana. The Latin-American biopharmaceutical offers a similar business model to Knight that management expects will bolster its overall business. Investors can expect to see its fourth-quarter and full-year results for 2019 in the middle of this month.

In Q3 2019, Knight reported a 25% year-over-year increase in revenue to $4.03 million. Research and development costs have climbed 67% from the prior year in the first nine months of 2019.

Knight boasts a flawless balance sheet and its earnings are forecast for strong growth going forward. The stock last had an RSI of 31, putting it just outside of oversold territory. I love Knight as a long-term pick up today.

Great Canadian Gaming

During the 2018 correction, I'd discussed the merits of gaming stocks for investors. **Great Canadian Gaming** (TSX:GC) is a Toronto-based gaming and hospitality company. Shares of Great Canadian Gaming have dropped 10.4% week over week as of close on March 5.

Casinos are profit machines, and this company scored a major victory for shareholders when it won the bid for the GTA Bundle with **Brookfield Business Partners**.

The company released its fourth-quarter and full-year results for 2019 on March 3. It included an additional 22 and 120 days of operations from the GTA and West GTA gaming bundles.

For the full year, revenues increased 15% to $1.35 billion and adjusted EBITDA rose to $557 million compared to $466 million in the prior year.

The casino portion of the Pickering Casino Resort is expected to open by April 2020. It has continued to make progress at its Casino Woodbine expansion, Great Blue Heron Casino hotel, and West GTA development programs, according to its 2020 outlook.

Shares of Great Canadian Gaming stock last possessed a favourable price-to-earnings ratio of 9.9 and a high price-to-book value of 3.9. Its stock last had an RSI of 29, putting Great Canadian Gaming in technically oversold territory.

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aocallaghan