Buy This 1 TSX Growth Stock Now to Beat a Recession

Description

The big news this week was the country's month-on-month contraction during March. With a recession possibly underway and more pain to come, the headlines are all about contraction. But what if there were still names out there that offered growth? Today, we'll take a look at a stock that rallied 36% in the last five days.

Looking for a name that consistently beats the market? Wary investors should look no further than **Shopify** (TSX:SHOP)(NYSE:SHOP). Its e-commerce business model has made Shopify an unlikely hero of the market crash. This is a businesses with social distancing written all over it. It's also a proxy for a whole slew of other sectors that sell their goods online. In short, it's a growth hero.

This has made Shopify's online store platform an ideal investment theme during quarantine. Its stock saw 20% five-day peaks during the coronavirus market crash. Even at the worst point of the selloff, Shopify was experiencing one-year share price growth of 120%. The stock has rallied 36% in the last five days, easily beating the **TSX Composite Index**, which finished the week flat.

Look beyond resilience and start shopping for growth stocks

Investors should add Shopify to a watch list and consider buying the dips. They should also be prepared to hold Shopify stock for the long-term. Indeed, any investor looking to pack growth stocks in a portfolio should consider buying shares even at their current overvaluation.

But any stock investment strategy that centres on buying and holding won't be easy over the coming months. This will include cutting the e-commerce platform some slack during what is likely to be a run of tough quarters. Investors getting into quality value opportunities now may feel that they have waded into the middle of a swamp. But quality names like Shopify will help these bold adventurers carry on holding.

Keeping cash and buying the dips is a sound strategy right now. But it will be even more rewarding if investors know their entry points. How low should that stock go before you buy shares? And how many shares will you buy at each price point? Being prepared in this way removes the guesswork and diminishes the risk of emotional investing. Split your eventual position into sections and buy on incremental weakness.

Back up that tech investment with something solid. If you're buying a certain number of shares in a growth stock, why not throw in shares in a dependable stock like **Barrick Gold**? This will help to stabilize a stock portfolio for the long term. Barrick is a strong choice, since it's been strongly outperforming the market. It also pays a dividend, though the thesis for passive-income investing is weakening at present.

The bottom line

Mixing online retail growth with gold is a strong play that should outrun the current economic strife. Growth investors in particular should take note of Shopify. This popular tech stock may not be cheap, with a P/B of 20 times its book price. But Shopify is looking at a projected three-year return of 618%, making it worth a look at practically any price.

CATEGORY

1. Coronavirus
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POST TAG

1. coronavirus
2. market crash
3. Shopify Stock
4. tech

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