Great Growth Stocks to Buy Now

Description

How diversified is your portfolio? The market crash we saw last month and the slow recovery we're now witnessing are great examples of the need to diversify. And to be clear, while we're seeing a slow recovery, many pundits still see forecast market volatility until the COVID-19 crisis has ended. This drives home the importance of selecting the right type of growth stocks for your long-term portfolio.

Here are three defensive candidates for any portfolio that offer growth, income, and stability.

Great growth opportunity in food?

While many businesses closed or only offering limited service during this pandemic, grocery stores have remained at the forefront. In short, grocery stores are still open, stocked, and catering to customer needs. Additionally, apart from the (unnecessary) panic-buying frenzy of toilet paper and cleaning supplies, many grocers are seeing an influx of customers buying *food*.

Had it not been for this pandemic, many of these customers would have otherwise turned to prepared meals or takeout.

In other words, there's a massive demand and opportunity for grocery stocks. **Loblaw** (TSX:L) is one of the largest grocers in the country and has risen to that challenge. That change in clientele was noted in Loblaw's recent quarterly report. In that quarter, Loblaw saw revenue surge to $11.8 billion, reflecting a whopping $1.14 billion or 10.7% increase over the same period last year.

Another noteworthy point is grocery e-commerce. Social-distancing has forced many to turn to grocery delivery/ pick-up service options. In the case of Loblaw, the company noted recently that its PC Express service has tripled in volume.

In normal operating times, Loblaw can be seen as a great defensive pick with long-term growth potential. Under this strange new norm, that's still true, but that long-term appeal is amplified further.

In short, buy Loblaw and hold it.

Diversify with a different telecom

Telecoms make great defensive investments. This is something that is often mentioned but rarely is it mentioned within the context of **Telus** (TSX:T)(NYSE:TU). Telus falls right in the middle of Canada's telecoms. It's not the largest or most well-known telecom, and the company lacks the big-bang that some of its growth-minded peers offer.

So where is the opportunity for investors? Let's call it the 1-2 punch. Telecoms in Canada tend to focus solely on one segment at a time. For most, that segment is wireless. Wireless connections have grown in popularity and need in recent years, and that demand will not drop anytime soon.

In the case of Telus, the company is also pushing its wireline service forward. Telus' PureFibre service continues to roll out to larger segments of the population, and that investment is now paying dividends. In the most recent quarter, Telus realized wireline additions of 46,000, which helped the segment to post a 6.6% increase in operating revenue to $105 million.

Finally, Telus is more than just a great growth stock. The telecom also offers a quarterly dividend that currently pays out an impressive 5.11%.

Growth potential comes in all sizes

When was the last time you filled up your car and thought about investing in a gas station? Chances are, the thought hasn't crossed your mind, at least, not yet. Enter **Alimentation Couche-Tard** (TSX:ATD.B). The Quebec-based gas station and convenience store behemoth owns a network of over 13,000 locations on three continents and has licensing agreements on hundreds of others.

Couche-Tard accomplished much of that impressive growth through a series of acquisitions — growth that translated into compound earnings per share growth of 17% over the past five-year period. The company is still seeking out additional acquisition targets in new markets. A recent example of this is the ongoing approaches to Australia-based Caltex.

The necessary service that Couche-Tard currently provides makes it a superb defensive pick. What makes Couche-Tard a solid growth stock is its long-term potential.

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