
2 TSX Growth Stocks to Buy in This Environment

### Description

Much of the commentary in the last few months has focused on the likelihood of an impending recession and the impact the pandemic has had on **TSX** stocks. However, not every business has been negatively impacted.



It makes sense that the majority of investors focus on buying defensive stocks and businesses. One of the main priorities in an economic environment such as our current one is shoring up the portfolio and making sure it's as resilient as possible.

For one thing, you don't want to take a massive hit to capital when markets start to become volatile. But more important — you want your businesses to be able to continue to keep earning reasonable amounts of income regardless of the duration of the pandemic and recessionary environment.

As easy as it is to get caught up in protecting your portfolio from downside, it's still vital to try to gain as much upside exposure as well, without taking on too much risk.

Here are two top **TSX** growth stocks you can still buy in this highly uncertain economic environment.

## TSX transportation stock

The first stock to consider buying today is the transportation stock **Cargojet Inc** (TSX:CJT). I highlighted what a great investment Cargojet would be back in March. Since then, the stock has rallied more than 50%.

Cargojet is a growth stock that already had a promising outlook coming into 2020. The company is heavily tied to the growth of e-commerce. So as businesses and stores continue to join that trend, Cargojet was already seeing a long-term secular shift acting as a major tailwind.

So when coronavirus hit and forced the closure of all non-essential businesses, demand for Cargojet's services skyrocketed.

In the first quarter of 2020, total revenue was $123 million — an increase of $12.6 million or 11.4% versus the previous year. Plus, as is expected with airlines, as sales increased, the costs scaled better, which resulted in a significant increase to the TSX stock's margin.

Cargojet's gross margin for the quarter was $32.2 million — an increase of $11.0 million, or a whopping 51.9% versus the previous year. It's worth noting that although coronavirus would have had some impact on business because the quarter ended in March, the majority of the quarter was business as usual.

This goes to show Cargojet's natural growth even without coronavirus shutting down brick and mortar. And with its strong profitability that will materialize as it continues to grow revenue, the stock is one of the most attractive on the TSX today.

## TSX health and wellness stock

**Jamieson Wellness Inc** (TSX:JWEL) is another high-quality growth stock that has seen a significant bump in its share price. Similar to Cargojet, Jamieson was already one of the best long-term growth stocks on the TSX.



The company has a long track record of impressive operations and continuous long-term growth. Jamison is an extremely well known and trusted brand in Canada.

The TSX growth stock has roughly 25% of the market share in Canada. Plus, it's estimated that at least one Jamieson product can be found in 40% of Canadian households.

Jamieson has used its well-known brand to continue to drive sales for years. From 1999 to 2019, it saw its revenue grow at a compounded annual growth rate (CAGR) of 7.4%. That rate has increased as of recently, growing at a CAGR of 8.9% since 2013.

In the first quarter of 2020, revenue increased 16.5% to $84.5 million from the same quarter the year prior. Plus, the TSX stock's adjusted net income increased by a whopping 20.6%.

Jamieson has recently been experiencing the majority of its growth from its international segment, specifically several product launches in China. However, it's also seen considerable growth from the impact of the coronavirus.

At this point, Jamieson stock has retreated slightly from its highs, marking a great entry point for investors. Its high-quality products, strong growth momentum, and growing health and wellness industry all make it one of the best stocks on the TSX.

## Bottom line

It's essential investors have some defensive TSX stocks to stabilize their portfolios. However, you don't want to go overboard and miss out on buying growth stocks.

It’s therefore crucial that investors have a solid balance of both. This way, your strong diversification can give you exposure to each segment of the market.

**CATEGORY**

1. Coronavirus
2. Investing

**TICKERS GLOBAL**

1. TSX:CJT (Cargojet Inc.)
2. TSX:JWEL (Jamieson Wellness Inc.)

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**Date**
2025/08/23
**Date Created**
2020/06/16
**Author**
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