2 Growth Stocks to Buy Now for +85% Upside

Description

The past few years of trade disputes and lumber tariffs might suggest otherwise, but **Norbord** (TSX:OSB)(NYSE:OSB) could be a big deal. Norbord might not be a growth stock just yet, but the case for a lumber industry breakout is growing steadily stronger.

While long-term positions are more favourable to low-risk investors with broad financial horizons, it's an interesting exercise to peruse short-term returns potential. Norbord shareholders who buy in at today's prices could expect to see 92% total returns in three months. This means that, based on current projections, Norbord shares could be an unloved money-spinner for the eagle-eyed value investor.

Matching quality stocks with an unloved high growth

Its high target price of around $52 is 85% higher than its current price tag of $28.7 per share. It's easy to see why analysts are giving this name a moderate-to-strong buy signal. Its estimated annual growth rate for 2021 is a whopping 288%. To cut a long story short, Norbord is on the cusp of breaking out and is worth a punt.

Indeed, our national natural resources could really take off upon the return of globalization. Imagine a North America relieved of antagonistic trade disputes. With a change of faces in the White House could come a return to higher prices for a range of Canadian materials. Coupled with an end to the quarantine, industrial demand could also help to push material prices — including lumber — to new heights.

Temper expectations and expect more volatility

Sticking with the natural resources growth theme, **Lithium Americas** (TSX:LAC)(NYSE:LAC) islooking at 56% annual earnings growth by 2023. However, this is based on current projections. Thisestimate could be somewhat conservative, given the potential for the lithium market to accelerate in thecoming years. A rewarding growth thesis aside, the value investor also has cause for excitement herewith a P/E of nine times earnings.

However, let's get back to growth for a moment. Total returns within the next five years could be around 84%. A glance at Lithium Americas's share price also gives a few clues as to how much upside there could be in the mining favourite. At just over $6 per share, this strong play in the lithium space could see next-gen electric battery demand drive it up to around the $20 mark. That's growth of 230%.

Of course, investors should bear in mind that this is the bullish end of the spectrum. Still, even a mean target price of 12% yields 100% upside. Investors may wish to take projections with a pinch of salt in the current market. The danger now is that a recovery is baked in, meaning that good news won't have much of an effect. The opposite is also true: the next few rounds of earnings reports could give equities a pummeling.

At the end of the day, while both Lithium Americas and Norbord are potentially high-buoyancy names, the markets they're riding are boiling with volatility. The TSX may appear fairly predictable at the moment, but investors should wait and see what happens when the markets catch up (or rather slow down) with the economy.

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