



3 Top Growth Stocks for July

Description

Understanding how to invest in stocks is a crucial step in gaining financial freedom. In fact, for most investors focusing on growth stocks is probably the best way to accumulate wealth and retire early.

Here are the top three growth stocks I recommend you look into for July 2020.

Retail stock

Retail stocks have been decimated this year. When the pandemic emerged, these were the first businesses to shut their doors. Now, retail doors are slowly reopening. **Aritzia Inc** ([TSX:ATZ](#)) announced it would shut 96 locations across North America on March 16. By early June, more than half of its locations had reopened. By July, I expect nearly all stores to be reopened.

Fortunately, there seems to be pent-up demand for retail. Shoppers haven't had a chance or reason to buy new clothes for months. Meanwhile, a lack of spending and government relief checks have boosted consumer purchasing power. I expect a summer shopping bonanza in July, which makes it the perfect time to bet on Aritzia stock.

The stock is currently trading at 22 times earnings and 30% lower than it did in February. Despite the recent crash, the stock has nearly doubled in the last three years. The next three years could be a recovery trade with potentially similar results.

Cannabis stock

Canopy Growth ([TSX:WEED](#))(NYSE:CGC) was already trending lower before the crisis. The stock is down 66% from its peak in 2019. The new price is much more appropriate.

Cannabis stores stayed open throughout the crisis in many provinces. In fact, sales jumped as people were confined to their homes. Meanwhile, the debt and oversupply issues plaguing the industry will eliminate smaller players, creating more room for leaders like Canopy to consolidate the market.

The company currently has \$2 billion in cash and cash equivalents on its books – enough to survive this crisis and expand the business through acquisitions. The stock trades at 1.6 times book value per share, which is attractive for a company with so much growth potential.

Canopy Growth is a great place to start if you're wondering how to invest in stocks in the [legal marijuana business](#).

Fintech stock

Lightspeed POS ([TSX:LSPD](#)) stock is up over 145% since April, 2020. The management team seems to have pivoted to save the business at the right time.

When the crisis erupted, Lightspeed's business seemed to be at the epicenter. Making money on restaurant and small store transactions just wasn't viable during the lockdown. So, the company turned its attention to digital payments and ecommerce, saving the firm's top line and boosting the stock tremendously.

In July, most of Lightspeed's physical retail clients will be back online. The reopening should boost the company's top-line even further. It's a compelling story for any growth investors. Lightspeed is a textbook example of how to invest in stocks for consistent growth. Keep it on your watch list for next month.

Bottom line

Wondering how to invest in stocks in July? Focus on companies that benefit from the re-opening such as Lightspeed POS.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NASDAQ:CGC (Canopy Growth)
2. TSX:ATZ (Aritzia Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:WEED (Canopy Growth)

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