2 High-Growth Stocks to Buy Now for Your TFSA

Description

Low-risk TFSA investors should be looking to pack diversified growth stocks at the moment. Luckily, they have some strong choices. Growth in the past 12 months has been suitably strong for **Calian Group** (TSX:CGY), for instance. This name has seen its share price leap up by a shocking 75%. The business has seen considerable earnings growth of 44% in the last 12 months.

This name's market fundamentals could be better, though. With a P/B of three times book, this stock weighs in considerably heavier than its actual assets. That said, though, Calian's balance sheet is pretty much flawless, while a P/E of 21 times earnings is acceptable. A reliable 1.9% dividend yield is also on offer, making this a suitable stock for the general passive-income investor.

A top stock for strong returns potential

Investors holding for five years could see total returns in the region of 280%. Short-term investors, given that rate of climb, might expect to see total returns of around 126% by 2023. That's a tempting return on investment, worthy of a space in a TFSA. Plus it's backed up with risk-lowering diversification across sectors.

Indeed, it's hard to think of a business more diversified across sectors than Calian. Its four main segments take in advanced technologies, health, learning, and IT. Covering everything from cyber security and the armed forces to agriculture and primary care, Calian doesn't look like the sort of business to go bust any time soon.

Another stock with similar diversification is **Descartes Systems Group** (TSX:DSG)(NASDAQ:DSGX). One of the rare turnaround stories that actually worked out, Descartes turned its fortunes around after the dot-com bubble collapse. It's now a major multinational logistics software provider offering cloud-based services and supply chain management solutions. This is next-level diversification, catering to just about every sector that requires logistics services.

Mix growth with diversified assets to lower risk

Descartes satisfies when it comes to share price growth, although the rate of climb is slowing. While it's seen 70.4% growth since this time last year, Descartes enjoyed a lower 21% spurt in the last three months. Growth in the last four weeks has slowed to a trickle at 2.7%.

However, this is a name that can deliver strong returns in a more settled market. Its balance sheet and 10-year track record are practically spotless and its outlook is solid. Past-year earnings growth has been stable at around 15%. Its next one to three years look good on this front, too, with around 24% earnings growth on the cards. Total returns could hit 250% by mid-decade, making for TFSA rocket fuel.

One of Canada's finest tech stocks, Descartes heads up the Canadian equivalent of America's much-trumpeted FAANGs. But the DOCKS stocks (consisting of the top TSX names) aren't likely to see the kind of shakeup recently witnessed in the FAANGs. Stateside, **Netflix** has been swapped out for **Microsoft**, forming the less catchy FAAMGs. The DOCKS, meanwhile, are strongly industrial in nature, making for a lower-risk play on growth potential in the long term.

CATEGORY

1. Investing
2. Stocks for Beginners
3. Tech Stocks

POST TAG

1. tech stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:CGY (Calian Group Ltd.)
3. TSX:DSG (The Descartes Systems Group Inc)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Stocks for Beginners
3. Tech Stocks

Tags

1. tech stocks

Date
2025/08/24
Date Created
2020/08/07
Author
vhetherington