



3 Red-Hot TSX Growth Stocks I'd Buy After Their Plunge Last Week

Description

Canadian markets marginally fell after **TSX** tech stocks notably declined last week. However, markets were buoyed by rallying gold and mining stocks. The last week's decline in these tech stocks does not make them significantly cheap from the valuation standpoint. But it could be a lucrative opportunity for investors who were waiting to jump in the rally.

Shopify

The top gainer of 2020, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) was one of the top losers last week. It lost more than 7% last week. Shopify stock is already up around 160% so far this year. Its Q2 earnings, which were released late last month, further strengthen its growth path.

Its Q2 revenues almost doubled against the same quarter last year, benefitting from the lockdowns and the stay-at-home orders. Notably, even if the pandemic and travel restrictions wane in the next few months, changing consumer behaviour will likely help Shopify for a prolonged period.

Also, if Shopify continues to grow its revenues at such a stellar pace, market participants might not be concerned about its valuation. The tech company is one of its kind, and its increasing market share makes it stand tall in the competition.

Shopify stock is currently trading at \$1,330, almost 10% lower against its all-time high. A further correction in this top-rallying stock can't be totally ruled out. However, it will likely continue to grow at an above-average pace in the short to medium term.

Cargojet

The top-rallying stock **Cargojet** ([TSX:CJT](#)) fell more than 6% last week. Its better-than-expected [Q2 results](#) cheered investors early this month. Thus, a little pullback last week was expected.

Cargojet's revenues increased to \$196 million for the second quarter of 2020, which was an increase

of more than 65% year over year. While the pandemic has dented businesses globally, Cargojet's superior top-line growth notably differentiates itself from peers.

Importantly, it might continue to see extended growth driven by the flourishing e-commerce industry and its unique overnight delivery.

Interestingly, shares of air cargo leader Cargojet have [returned](#) more than 2,550% since 2012. They have been up approximately 90% this year. Very few stocks have achieved such a feat amid the never-seen-before crisis. It continues to look strong, despite the valuation concerns.

Lightspeed POS

Another Canadian tech stock that plunged last week was **Lightspeed POS** ([TSX:LSPD](#)). The stock fell by approximately 4% last week.

A \$3 billion company, Lightspeed provides a cloud-based platform that helps its clients in consumer engagement, payments, and inventory management.

During the epic market crash in March 2020, Lightspeed stock was notably weak because of its high exposure to clients in the retail and hospitality industry. However, it was fairly quick to recover, as economies gradually re-opened. The stock is up more than 250% since its record lows in March.

Notably, Lightspeed's clientele will likely continue to feel the heat amid the pandemic and could take longer to recover completely. However, its Q2 earnings indeed paint a rosy picture. Also, its large addressable market offers handsome growth prospects for the long term.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CJT (Cargojet Inc.)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:SHOP (Shopify Inc.)

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