Got $2,000? 2 TSX Stocks Poised for Growth in a Post-Pandemic Economy

Description

"The stock market is not a reflection of the strength of the economy," so the saying goes. And 2020 is showing just that.

Unemployment rates have reached levels above 10% in Canada, yet the Canadian market is trading roughly at the same place that it began the year. That's not to say there haven't been high levels of volatility over the past six months, though.

The **S&P/TSX Composite Index** dropped a record-setting 37% in just over one month earlier this year. But since the market hit the current low of the year on March 23, the previously mentioned index has soared close to 50%.

The stock market is supposedly forward-thinking, which may be why it doesn't always reflect the current health of the economy. If this recent v-shaped recovery tells me one thing, it that's investors are bullish on the long-term growth potential of the stock market.

With that in mind, I've covered two top **TSX** stocks that I believe will only see growth accelerate in a post-pandemic economy.

Shopify stock

It's no surprise to see Canada's largest company on this list. **Shopify** (TSX:SHOP)(NYSE:SHOP) is valued today at a market cap of just under $160 billion, $20 billion more than the second-largest company in Canada.

Shopify's most recent quarterly performance was led by a growth of 97% in revenue, coming in a $714 million. The growth was driven by a significant increase in gross-merchandise-volume (GMV). Analysts were expecting GMV to come in at $19.9 billion, but Shopify shattered those expectations and drove $30.1 billion.

Trading at a price-to-sales (P/S) ratio of 75, there's no question that Shopify definitely poses a certain level of risk to investors. The company is growing at an incredible rate, but investors need to be wary that valuations of these levels will likely lead to volatility of the short-term. For long-term investors that can stomach the short-term volatility, there are a lot of reasons to be bullish on Shopify stock.

Earlier this year, the COVID-19 pandemic forced many brick-and-mortar stores to close down temporarily. Shopify saw this as a massive market opportunity and quickly announced that it would be providing free trials for its e-commerce platform for new customers.

The revenue growth of 97% may have largely been attributed to the temporary closure of many brick-and-mortar retailers, but there's no denying the growth potential for this e-commerce giant.

Docebo stock

Docebo (TSX:DCBO) is valued at a market cap of just $1.5 billion. The tech company may pale in comparison to Shopify with regards to market cap size, but its growth rate alone is a reason for investors to get excited.

Docebo has been a public company for not even one year yet and has already seen its share price grow by more than 200%. While there may still be a ways away to be considered Shopify-type growth, Docebo is in a position to see growth accelerate in a post-pandemic economy.

The tech company owns cloud-based learning platforms designed to train employees, partners, and customers. The platforms are powered by artificial intelligence, with an objective to personalize the learning experience for each individual user.

Valuation is by no means cheap here either. Docebo trades at a frothy P/S ratio of 25.

Foolish bottom line

No one knows what the stock market nor the economy will look like in a year's time. One thing that we can do as long-term investors, though, is to look for long-term growth trends to invest in.

Shopify and Docebo are two companies that I believe only stand to see growth accelerate as a result of the lasting effects of the COVID-19 pandemic.

Valuations may be high, but if you're a long-term investor, both of these companies deserve serious attention for your investment portfolio.

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2. TSX:DCBO (Docebo Inc.)
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