Forget a Market Crash: Two Top Growth Stocks to Buy in 2021

Description

While I won't go as far as to say that last year's market crash was a once-in-a-lifetime opportunity for investors, it sure was a good time to have some cash on the sidelines.

Since bottoming out at the end of March, the **S&P/TSX Composite Index** has rallied an incredible 60%. Within not even three months of hitting the low of the year in 2020, the Canadian market was up 40%. Not too bad considering that prior to 2020, that same index was up barely 20%

If the market is up 60% since the end of March, you can imagine the type of gains that Canadian investors are earning on the top growth stocks.

For investors that weren't able to take advantage of the 2020 market crash, don't worry. I've reviewed two growth stocks that you can pick up today that won't cost you a fortune.

Both of these companies have a proven market-beating track record and are trading at fairly reasonable valuations right now.

Cargojet

For the most part, air travel stocks took a major hit in 2020. **Cargojet** (TSX:CJT) was one of the few exceptions.

Airline stocks and other travel-related companies, unsurprisingly, did not fare well last year. The reason why Cargojet had a record year is because it's in the business of shipping cargo, and not consumers. The company specializes in overnight shipments to cities all across North America.

The COVID-19 pandemic forced temporary and permanent closures of many brick-and-mortar retail locations across the globe. As a result, e-commerce activity soared last year as consumers were shopping online at a rate that we had never seen before.

Cargojet saw its revenue grow close to 40% through the first three quarters of 2020. Share price growth was quick to follow. The stock was up more than 100% last year.

Shares of Cargojet are not cheap, but I'd say a forward price-to-earnings (P/E) ratio of 35 is reasonable after a year of 100% growth.

Investors who are looking to start a position in Cargojet should act fast. After surging 225% from the end of March to early November, the stock has cooled off as of late. It's trading 10% below all-time highs right now.

goeasy

goeasy (TSX:GSY) is an intriguing stock. The company joined the public market 25 years ago but has experienced a rejuvenation of growth over the past decade. goeasy also operates in the financial services sector, which typically isn't where most of the growth stocks are found.

The financial services company is a subprime lender for Canadian consumers.

While the major Canadian banks trailed the market in 2020, goeasy put up share price growth of close to 40%. Over the past five years, it's nearing a gain of 500%.

The fact that this company is also a Dividend Aristocrat is why I'm considering it an intriguing stock for investors.

goeasy has paid a dividend to shareholders for more than 15 years now, with increases over the past six. At today's price, the annual dividend of $1.80 per share will earn investors a yield of 1.8%.

What seals the deal for me is goeasy's valuation. The company has crushed the market over the past year, five-year, and 10-year periods. Even with that type of track record, the stock is still only trading at a forward P/E ratio of 12 today.

Foolish takeaway

I wouldn't bet on Cargotjet and goeasy being the highest growing Canadian stocks over the next five year period, but they're absolute steals for the level of growth that they can provide. Because both stocks are trading at valuations far below what some of the other high-flying tech stocks are valued at today, you're taking on much less risk in your portfolio by adding Cargojet and goeasy.

While the two stocks are priced very reasonably today, that might not be the case for much longer. Don't miss your chance to make a fortune and pick up shares of these two Canadian stocks today.

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TICKERS GLOBAL

1. TSX:CJT (Cargojet Inc.)
2. TSX:GSY (goeasy Ltd.)

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