



## Got \$1,000? High-Growth Canadian Stocks to Buy in July 2021

### Description

Canadian stocks at large made yet another all-time high on July 7 amid hopes of normalcy. Although new variants of the virus bring back the jitters of more restrictions, markets will likely continue to soar higher in the medium to long term. So, how are you playing the re-opening rally? Here are my top growth bets for long-term investors.

### Goodfood Market

The meal-kit delivery company **Goodfood Market** ([TSX:FOOD](#)) reported another strong quarterly revenue growth on July 7. Its revenues for the quarter that ended on May 31, 2021, came to \$108 million, a handsome increase of 24% year over year. However, the company [reported](#) a loss during the quarter.

The pandemic served as a catalyst for Goodfood, where its subscribers preferred staying home and ordered groceries and meal kits. It has seen substantial growth in its subscriber growth since last year.

This changed consumer behaviour could continue to aid the company to some extent in the post-pandemic world as well. At the same time, once restrictions wane, and people are allowed to dine out, Goodfood might see weakened demand.

After peaking in January, Goodfood stock has almost halved in value and is currently trading at \$8.8. It is trading 1.5 times its sales and looks attractive from the valuation standpoint. If the company maintains its revenue growth momentum for the next few quarters, the stock should see ample growth even when things normalize.

### Shopify

The ultimate [growth stock](#) **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) resumed its upward march last month. It hit an all-time high of \$1,975 on July 7, representing a 30% increase so far this year.

Shopify announced last month that it has expanded its partnership with **Facebook** and Google. Shop Pay will be available to merchants selling on these two platforms from late 2021. The recent comeback rally highlights investors' confidence in SHOP stock that it will continue to outperform post-pandemic as well.

Shopify stock looks exorbitantly overvalued as it boasts a price-to-earnings multiple of 120x at the moment. However, it has a significantly large addressable market and a fast-growing share in it.

I think traditional valuation metrics might misrepresent Shopify's growth prospects. Its addressable market of small- and medium-scale businesses is valued at around US\$153 billion, of which Shopify earns around \$3 billion in revenues, indicating huge room for growth.

## Air Canada

**Air Canada** ([TSX:AC](#)) stock has fallen almost 12% since last month on fears of the mutating virus. However, if you are a long-term investor, these short-term gyrations should not bother you. I am pretty optimistic about Air Canada's recovery in the next two to four quarters and beyond. Although it may not reach its 2019 profitability levels soon, it could create remarkable value for shareholders.

Air Canada recently announced a resumption schedule to 17 routes for the summer. The flag carrier has been operating at a trivial capacity since last April. Restarting its operations indicates the company's confidence in returning air travel demand. It will likely fly with significantly higher capacity in Q4 2021 and in 2022 with more clarity on the pandemic and travel demand.

AC stock is still trading 50% lower than last year's high. As its operations normalize in the next few quarters, Air Canada could see solid revenue recovery and a rallying stock.

### CATEGORY

1. Coronavirus
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### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:AC (Air Canada)
3. TSX:FOOD (Goodfood Market)
4. TSX:SHOP (Shopify Inc.)

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