These 2 Fintech Stocks Are Better Buys Than Meme Stocks

Description

Are the glory days of meme stocks over so soon? The stock prices could fall faster than their climb. You don't want to be the last to take the exit door when gravity pulls them back.

GameStop and **AMC Entertainment**, along with **Clover Health**, **Sundial Growers**, and other favourites of Reddit traders, have seen significant price drops in recent trading days. While the year-to-date gains are still enormous, they will not sustain because all have negative fundamentals.

Smart investors should look elsewhere, especially in companies with visible growth potentials in the 21st century. One of the exciting growth trends today combines finance and technology.

On the **TSX**, financial technology stocks **Mogo** (TSX:MOGO)(NASDAQ:MOGO) and **Payfare** (TSX:PAY) should be on your radars or shopping lists. The growth projections for the global financial technology market are fantastic. Its value or size is growing gradually and could top US$324 billion by 2026, or about 23.41% compound annual growth rate (CAGR) over five years.

Financial wellness

MOGO should attract value and growth investors alike. The $511.1 million fintech from Vancouver is distinct in many ways. Its array of finance apps caters to consumers with varying financial goals and investment preferences. I would say it's a one-stop-shop if financial wellness is your primary concern.

With MogoSpend, for example, you have a digital spending account with Platinum Prepaid Visa Card (MogoCard). If you want free credit score monitoring and identity fraud protection, use MogoProtect. You can also obtain personal and mortgage loans with the Mogo app. Last, MogoCrypto is for bitcoin or cryptocurrency investors.

The financial performance in Q1 2021 (quarter ended March 31, 2021) is a portent of things to come. Mogo's total revenue increased 14% to $10 million versus Q4 2020. Subscription and services revenue during the quarter is now 53% of total quarterly revenue. It was 46% in the preceding quarter.

Mogo is doing great on the stock market with its 50.21% year-to-date. At $7.27 per share, the trailing one-year price return is 301.66%. Market analysts recommend a strong buy rating. Based on their forecasts, the return potential is 97.16%.

Unique field

Payfare debuted on the TSX on March 19, 2021. The closing price on the first trading day was $6. As of July 16, 2021, this fintech stock trades at $12.58, or a 109.7% jump. Had you invested $5,000 on IPO day, your money would be worth $10,483.33 today.

The $569.88 million Vancouver-based company operates in a unique field, the gig economy. Payfare CEO Marco Margiotta said, “Gig workers are a valued and growing part of our economy.” The company aims to drive these people’s financial security and inclusion.

Management’s strategy is to strike partnerships with leading on-demand gig platforms and power-free digital banking. Payfare will then provide instant payouts to their workforce. **DoorDash** is a partner in DashDirect, a flexible banking solution designed for delivery drivers.

The company’s proprietary technology and continued growth of its platform and revenue should result in a leading industry position soon. In Q1 2021 (quarter ended March 31, 2021), Payfare’s revenue and active user count increased 46% and 168% versus Q1 2020. The road to profitability isn’t far off.

Sure growth

The luster of meme stocks is fading. For Mogo and Payfare, business fundamentals will fuel growth, not Reddit traders. Scoop both while the prices are absurdly low.

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