



2 Stocks to Buy for Explosive Growth Potential

Description

Explosive growth stocks are relatively risky holdings. They are usually too expensive and just as likely to go downward in a spiral as upward in explosive bursts. The high valuation actually adds to the risk because when the stocks start to tumble down, they sometimes keep falling until they are more reasonably priced.

But many [growth stocks](#) with explosive potentials usually rely upon external factors for the so-called “explosion.” Some might keep slumbering until the right market conditions align and then shoot through the roof. Others keep fluctuating near a median price until institutional or retail investor attention builds the momentum that they can ride to the top.

Whatever the “catalyst” might be, it’s worth keeping an eye on stocks with explosive growth potential. Even as a long-shot bet, these stocks can do more for your portfolio in months than many slow-growing stocks can do in years.

A tech stock

Real Matters ([TSX:REAL](#)) combines two different sectors, that is, [tech and real estate](#), under one brand and several subsidiaries. It’s essentially an Ontario-based tech company with a powerful U.S. presence through its platform. The Real Matters platform essentially combines proprietary technology with real estate field agents, that is, mortgage lenders, insurance providers, etc.

The concept is that the platform becomes the go-to place for appraisals, mortgage-hunting, getting property insurance, and several other facets of the real estate industry. In the last quarter, the bulk of its revenues came from the U.S. appraisals, while title research and the remaining revenue came from the domestic real estate industry.

Between 2019 and its peak in August 2020, the stock grew well over 800%. That's explosive, even wild growth in a relatively short amount of time. But the stock has come down a long way from this peak and now stands at 62%. It's quite close to becoming fairly valued. The stock might keep slumping further before it rises in sync with the next real estate boom.

A crypto mining company

While gold mining is still a thriving industry, crypto mining might soon give it a run for its money. Companies like **Hut 8 Mining** (TSXV:HUT)([NASDAQ:HUT](#)) occupy a key position in the crypto market and often track the value of underlying cryptocurrencies (usually just Bitcoin) with far more accuracy than most other crypto-related stocks do.

Hut 8's stock grew almost 42% in the last half month, almost in sync with Bitcoin's 33% rise over the same period. *If* Bitcoin is going up to reclaim its former glory, or even better, if it's going for the US\$100,000 mark, you might see [explosive growth](#) in the Hut 8 stock.

Foolish takeaway

Not all tech stocks are as volatile or as energetic as Real Matters and Hut 8. But these fast-moving stocks pack quite the potential and a powerful punch. If you try to buy the dip and wait for the stocks to peak, you might be able to grow your capital several times. But it's important to cash out before the inevitable slump. Use the capital you've attained to buy more long-term holdings.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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2. TSX:HUT (Hut 8 Mining)
3. TSX:REAL (Real Matters Inc.)

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