

Don't Wait for a Market Pullback to Buy These 2 Growth Stocks

Description

It's not uncommon for investors to be hesitant to invest in stocks at all-time highs. In fact, it's so common that <u>many studies</u> have investigated whether it's more beneficial to invest every month or wait for market downturns.

It's been shown that investing consistently is the best way to go. In fact, if you were to invest consistently in the **S&P 500** from 1996 to 2016, your average annual return would be 8.19%. If you missed the five best market days over that period, your return would diminish to 5.99%. Missing the best 10 days would give you a return of 4%. The data shows it's best to invest in quality companies regardless of how the market is doing. Don't wait for a market pullback to buy these two growth stocks!

I'd buy this stock on any day

Personally, I believe there are certain companies that investors can buy nearly any day of the year and still be able to expect similar returns. In the United States, companies that would satisfy that idea would be the FAAMG stocks. This is a group of big tech companies which includes **Facebook**, **Apple**, **Amazon**, **Microsoft**, and Google. The reason being that the broader market is so heavily weighted towards these companies that it feels like investing in the S&P 500 anyway.

In Canada, I feel the exact same way about **Shopify** (<u>TSX:SHOP</u>)(<u>NYSE:SHOP</u>). It is Canada's largest company by market cap. Like the big tech stocks in the United States, the **TSX** is heavily allocated towards the larger companies in Canada. In addition to being a blue-chip company, Shopify offers investors a very exciting growth opportunity. The company is helping facilitate the shift towards e-commerce by providing a platform and all the tools necessary for businesses of all sizes to operate online stores.

Shopify stock has performed extremely well since its IPO. Despite its rapid increase in value, investors should realize that the e-commerce industry still has a lot of room to grow. Because of this, it wouldn't be crazy to think Shopify's growth runway also remains very long.

Did you get in on this recent IPO?

As I write this entry, some investors may not think it's such a recent IPO. However, **Nuvei** (<u>TSX:NVEI</u>) has been trading for less than a year. Since then, it's already claimed the title of Canada's largest tech IPO and more than doubled in value. In a time with much uncertainty in the stock market, those are two very impressive achievements.

Like Shopify, Nuvei can benefit from the rapidly growing e-commerce industry. The company offers merchants an omnichannel payments platform, allowing them to complete mobile and online transactions. What differentiates Nuvei from other payment-processing companies is that its platform also allows businesses to transact in-store and unattended payments.

Nuvei checks off a lot of boxes on my investment checklist. It's led by a founder with a lot of skin in the game, the company's business model consists of regular payments (via a subscription model), and it operates in an important industry. These all make Nuvei a no-brainer to invest in today, regardless of the company trading at all-time highs.

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1. Editor's Choice

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- 2. TSX:NVEI (Nuvei Corporation)
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