Got $500? 2 Cheap Growth Stocks to Buy Now

Description

If you're looking to make some awesome money on your investment, you should consider buying cheap growth stocks like **Cargojet** (TSX:CJT) and **Converge Technology Solutions** (TSX:CTS).

They could grow your investment to a sizeable amount, especially if you have a long-term investment horizon (think at least five years). Both growth stocks have been multi-bagger investments. Going forward, they have the potential to continue multiplying investors' money.

Cargojet stock has been a five-bagger in five years. Converge stock has been a six-bagger in the last 12 months but, amazingly, remains undervalued for its growth potential.

A growth stock on the road to a rebound

After much consolidation since the correction from November 2020, Cargojet stock finally appears to be breaking out. If so, it could appreciate another 25% or so in the near term.

The growth stock simply went ahead of itself when it appreciated as much as 145% during the pandemic last year. That was a time with high uncertainty, and many businesses in the hospitality industries were impacted negatively.

Not Cargojet, though. Apparently, it benefited from the novel coronavirus in 2020, as more personal protective equipment was needed and more people made purchases online. As results are expected to somewhat normalize this year, the growth stock naturally experienced a correction.

Longer term, Canada's air cargo company could accelerate its growth through international expansion. For example, earlier this month, it made an investment in 21Air, a cargo airline based in North Carolina. If it's successful in its international expansion, the stock can climb much higher in the long run, as the e-commerce trend is happening around the globe.

A tech stock to buy now

Converge was at it again. The small tech stock just had another equity offering. The company expected to raise at least $150 million of gross proceeds through a bought deal financing with an overallotment option that could bump it up to approximately $172.5 million. However, its stock was so popular that the bought deal financing was upsized to gross proceeds of $225.2 million. This is about 50% more than the minimum capital that it initially planned to raise!

Where will the proceeds go? Likely, much of it will be used to fund acquisitions. The company has been executing well on its M&A growth strategy. As a result, the tech stock has climbed higher with strong price momentum.

In fact, just three months ago, the company raised $100 million from an equity offering for $7.50 per share. This time around, it offered stock at $10.55 per share, which is 40% higher!

Since 2017, Converge has made more than 20 acquisitions, expanding its offerings. Currently, it provides a diverse range of IT solutions across areas such as advanced analytics, cloud, cybersecurity, and managed services.

Mid-market clients would go to Converge for advice on IT solutions that fit their businesses. Additionally, Converge’s technical workshops and executive briefings have helped tremendously in its cross-selling strategy.

This is why Converge is one of the fastest-growing tech stocks on the **TSX**. It continues to make acquisitions in North America and only recently started expanding in Europe.

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