2 Great Canadian Growth Stocks to Buy Right Now

Description

Many great Canadian growth stocks got absolutely hammered over the past few weeks. Undoubtedly, Tuesday's big rally caused many growth-oriented investors to breathe a huge collective sigh of relief. Still, it may be too soon to load up on the hardest of hit high-multiple growth stocks, as rate jitters could still linger well into year-end and potentially into 2022. While many pundits are so confident that this selloff will evolve into a correction (that's a 10% pullback from peak to trough), it's probably a bad idea to wait for the arbitrary level before doing any buying.

Could more pain be ahead, or are today's slate of bargains worth buying?

My takeaway? Start doing some buying of your favourite Canadian growth stocks now. And be ready to average down should this selloff drag us 10%, 15%, or even 20% lower. Indeed, **Morgan Stanley** recently noted that they see the markets vulnerable to as much as a 20% pullback in a "fire-or-ice" scenario. If the bear-case scenario pans out, we'll find ourselves in a bear market for the second time in under three years. So much for going so long without a correction!

Regardless, investors should take Morgan Stanley's call with a grain of salt, because the range of downside for this selloff seems to be wide. And the biggest risk, I believe, is doing nothing, as many wonderful Canadian growth stocks are marked down across the board, many of which are being punished through no fault of their own!

As markets look to shrug off recent volatility, I'd look to spread my bets across high-multiple growth stocks and stealthy growth stocks with more of a value multiple (think stocks like **Alimentation Couche-Tard**). For the former group, I'd look to average down into a full position over the coming weeks. As for the latter group, I'd be perfectly comfortable with initiating a sizeable, perhaps full position right here, with the **TSX Index** down just shy of 5% from its high.

Shopify falls into another bear market

In this piece, we'll have a closer look at names that have been hit the hardest.

Consider **Shopify** (TSX:SHOP)(NYSE:SHOP), a high-quality growth darling that's currently in a bear market, down 20% from its all-time high.

Undoubtedly, a 20% decline isn't as significant when you consider that Shopify is still up triple-digit percentage points from last year's pre-pandemic top. With a brilliant management team that, in some way or another, continues to find new ways to grow, I think the stock is more than capable of thriving over the next year, as the reopening trade heats up and physical retail looks to gain the edge over digital retail. The future lies in the omnichannel. But with COVID-19 variants of concern unlikely to back down in the new year, I suspect e-commerce will be quick to regain its long-term tailwind.

Foolish takeaway

Could it be that a 5% pullback is all we'll get for this year? Only time will tell. But if you've yet to do any buying, it's worth having a look at the merchandise that's been thrown into the bargain bin.

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