



2 Small-Cap Growth Stocks to Buy if You're Feeling Bold

Description

Many investors tend to steer clear of small-cap stocks, believing them to be more volatile, particularly during [uncertain market environments](#). The market capitalization of a publicly traded company is always going to be a good way to determine the financial strength and the broader perception of the stock in the market.

But there are small-cap stocks that offer immense upside potential. You can find some of the top Canadian growth stocks amid small-cap stocks trading on the stock market right now. Today, I will discuss two small-cap [growth stocks](#) that you could consider buying if you are willing to stomach the inherent risk for the promise of massive upside potential.

CloudMD Software & Services

CloudMD Software & Services ([TSXV:DOC](#)) is one of the rare few tech stocks operating in the healthcare sector, making it an ideal candidate for many investors seeking small-cap stocks with the potential to deliver stellar shareholder returns. The Vancouver-based company with a \$327.71 million market capitalization is relatively small, and it has declined by 55% from its October 2020 peak.

CloudMD is not a new company. It started business in 2013, but it became a publicly listed company last year when it started trading on the junior exchange. The first few months of its IPO saw the stock appreciate by over 340% before a correction that saw another spike in February 2021.

CloudMD stock is trading for \$1.41 per share at writing, and it is down by 55% from its October 2020 peak. As the digitization of the healthcare industry continues, CloudMD investors could be in for explosive gains in the coming years.

Goodfood Market

Goodfood Market ([TSX:FOOD](#)) is the perfect example of a company taking advantage of the tech-based innovations revolutionizing every industry. Groceries are an essential requirement for

consumers regardless of their financial situation. Goodfood Market is banking on the necessity of groceries and riding the wave of technological innovation to become a profitable business catering to its customers' needs.

Goodfood Market stock boomed, as the pandemic took hold and rose by almost 600% from the March 2020 bottom to its January 2021 peak. At writing, the stock is trading for \$8.99 per share, and it is down by almost 32% from its peak earlier this year. The \$671.72 million market capitalization company could be worth investing in on the dip for substantial long-term gains.

Foolish takeaway

There is always an element of capital risk involved when you are investing in the stock market. Large-cap stocks of established companies that have been around for a long time tend to provide investors with a degree of reliability and relatively lower risk. However, the returns they can provide you might not match the potential that the right small-cap growth stocks possess in the stock market.

If you are willing to take on slightly riskier investments that could provide you with market-beating returns, picking the right [small-cap growth stocks](#) can help you achieve that goal. Goodfood Market stock and CloudMD Software & Services stock could be excellent picks for this purpose.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FOOD (Goodfood Market)
2. TSXV:DOC (CloudMD Software & Services Inc.)

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Date

2025/07/25

Date Created

2021/10/11

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