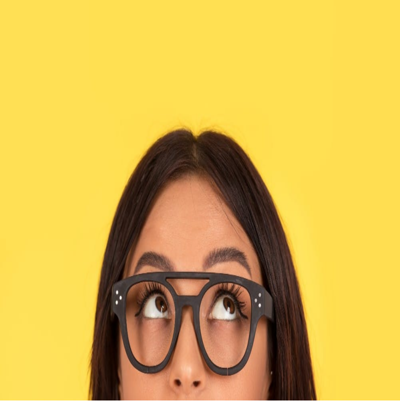

The 3 Smartest Growth Stocks to Buy in Canada Right Now

Description

Growth stocks, especially those that offer to double your capital in just a few years, are usually too expensive or quite risky for most investors, and investors don't love either of these are traits. But that's the price that needs to be paid for the potential of fast growth.

But if you wish to play it smart and capture the upside that growth stocks offer without bringing on more risk to your portfolio, you have to stick to a relatively small pool of safe growth stocks with amazing potential.

A professional services company

Investing in a company whose sole job is investing is a good idea when the company *knows* what it's doing. **Colliers International Group** (TSX:CIGI), professional services and investment management company appear to know what they are doing and their success (or at least the investor perception of it) is reflected in the company stock.

Colliers has a 10-year compound annual growth rate (CAGR) of 26.7%, high enough to double your investment capital in a decade. The company primarily focuses on the real estate market and works with various stakeholders in the industry. It has about $45 billion worth of assets under management and operates in 66 countries, making it a diversified and safe growth bet. The price tag is quite heavy, though.

A transport company

TFI International (TSX:TFII)(NYSE:TFII) has seen an amazing 2021 (so far). The stock has grown almost 98% since the beginning of the year, and that's *after* the small 11% correction the stock just experienced. And if you go back further to the market crash, the growth becomes quite monstrously high: 385% in less than two years.

As a transport company with an extensive network of operating companies in North America and one of the largest trucking fleets, the company has capitalized quite a bit on the e-commerce boom and the supply chain constraints the world faced in the last couple of years.

The stock is going through a correction, and it is oversold at the moment (with the RSI at about 36.4). But as soon as it reaches down to a more reasonable valuation, it's worth buying.

A real estate service company

FirstService (TSX:FSV)(NASDAQ:FSV) is easily one of the most powerful growth stocks currently trading on the **TSX**, and it has been since the day it started trading on the TSX. The stock has been growing consistently for about six years, and the only major dip the stock experienced was during the 2020 crash. And even then, the stock reclaimed its post-pandemic high in under six months.

FirstService also happens to be a Dividend Aristocrat, but the 0.4% is a far less compelling number associated with the stock compared to the five-year CAGR of 32.2%. It's high enough to grow your capital by about four times in the next five years (if it can keep the growth pace). Naturally, the stock is quite overpriced, but given the potential it offers, the price might be just right.

Foolish takeaway

The TSX has a decent selection of amazing growth stocks at any given time, but not all growth stocks are worth holding on to for decades, and many shouldn't be held for such a long time. Some companies reach their growth peak in a few years, and once they do and the downward movement of their stocks becomes permanent, holding on to them in the hopes of a powerful recovery might not be a valid strategy.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

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2. NYSE:TFII (TFI International)
3. TSX:CIGI (Colliers International Group)
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