



3 High-Growth TSX Stocks to Buy on the Next Market Correction

Description

Regardless of the sector, it has been an all-around strong year for **TSX** stocks. Frankly, many of Canada's most well-known businesses in the energy, materials, financials, real estate, and even technology sectors stand to perform well in the current inflationary environment.

However, given low-interest rates, there is a lot of excess capital in the market. Certain segments of the stock market do appear frothy. A rise in interest rates could certainly give the market a bit of decline early next year. Yet, I would look at that as [a buying opportunity](#).

Canada has some amazing businesses. The fundamental operations of those businesses are much more important over the long run than the short-term macro issues in the market. So, with this in mind, here are three high-growth stocks that I would buy on the next TSX [market correction](#).

A top performing stock on the TSX

Constellation Software ([TSX:CSU](#)) has been one of TSX's top-performing stocks over the past 10 years. It has risen nearly 3,000% in that time frame! If you look at the chart, there has really never been a bad time to buy this stock. Even if it has appeared expensive compared to other tech stocks, paying up for its quality has been worth it.

Today, it has a market cap of \$46 billion. While it is possible its growth rate could slow, I believe management is still pushing for ways to create and accelerate shareholder value.

It has broadened its investment universe and also slightly lowered its investment hurdle rate. This could open up a whole new array of opportunities to allocate capital and grow shareholder value. Another way this TSX stock might be looking to create returns is by spinning off the sum of its parts.

An up-and-coming Constellation Software?

In February of this year, it spun-off **Topicus.com** ([TSXV:TOI](#)) onto the **TSX Venture Exchange**. Some

have called Topicus.com the mini-Constellation Software of Europe. It looks to primarily consolidate niche vertical software businesses in the Netherlands and Western Europe.

So far, the spin-off has been a huge success. This TSX stock is up 115% in 2021. I believe the market has some pretty high expectations and the stock trades at a pretty steep premium. However, Topicus.com has a very high-quality management team, a large market to consolidate, very strong organic growth, and it is only a 10th the size of its larger parent.

Consequently, its growth rate could exceed Constellation in the years ahead. Given its potential, this would be a great TSX growth stock to pick up on market weakness.

A fast-growing TSX payments stock

Another recently listed TSX growth stock that I have my eye on is **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)). It completed its initial public offering (IPO) in late 2020. Since its listing, its stock is up over 200%! It is fast becoming a [leading payments solutions provider](#) across the world. It has been growing by over 70% a year.

As it adds more services and penetrates new markets, it will have a global scale that should also translate into strong profitability over time. It already targets growing its adjusted EBITDA margins from the mid-40% range to over 50%! Not many companies are ever that profitable, so that is exciting.

With a \$22 billion market cap and a price-to-sales ratio of 33 times, this TSX stock is pretty pricey. However, if you can get it on any major dip, Nuvei is a great tech stock to buy and hold for years.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:NVEI (Nuvei Corporation)
4. TSXV:TOI (Topicus.Com Inc.)

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Date

2025/08/26

Date Created

2021/10/30

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