2 Cheap Canadian Growth Stocks to Buy This Month

Description

Investing in Canadian growth stocks when you have a balanced portfolio that already consists of reliable growth stocks could be an ideal way to add the potential for more rapid wealth growth. While adding growth stocks entails some capital risk, having a balanced portfolio can allow you the flexibility to delve into some high-risk and high-reward assets.

If you feel that your portfolio could use some diversification into Canadian growth stocks, I will discuss two cheap Canadian growth stocks you could consider adding to your portfolio this month.

Dye & Durham

Dye & Durham (TSX:DND) is a stock that has yet to recover since the September selloff. The stock is trading for $38.21 per share at writing, down by over 21% from its valuation on September 1, 2021. According to news that came in May, Investors anticipated the company to go private for $3.4 billion, or for $50.50 per share. However, the move may not pan out.

Despite the significant selloff in recent weeks, DND stock is up by almost 65% from its share price at the same point last year. The company has had a solid year in 2021 as fiscal 2021 saw its revenues increase by almost 220%, while its adjusted EBITDA increased by $80 million to reach $116 million.

It could be worth the risk to add its shares to your portfolio for the discounted share price. Even a complete recovery to its September 1st valuation presents a significant upside.

Cargojet

Cargojet (TSX:CJT) is the most prominent presence above Canadian skies among overnight air cargo service providers. While **Air Canada** has bolstered its air cargo operations amid the pandemic, Cargojet stock's time-sensitive overnight air cargo services are unmatched.

The company is also busy expanding its international presence, having recently acquired 25% of 21Air, an air cargo service based in North Carolina. The e-commerce industry's boom amid the pandemic has provided tremendous growth for the air cargo business. The previous decade has seen Cargojet stock provide multi-bagger shareholder returns.

E-commerce sales are expected to grow further in the coming years, overtaking brick-and-mortar retail sales in a few years. Cargojet stock is trading for $186.20 per share at writing, down by 17% from the same time last year, largely due to COVID-related challenges. It could be the right time to pick up its shares for a bargain today.

Foolish takeaway

Most savvy investors don't have a ton of cash sitting idly in their accounts because there is an opportunity cost in letting large amounts of cash in savings accounts. Saving and investing regularly can make you wealthy in the long run. Ideally, you should first focus on buying high-quality businesses that exhibit decent and reliable growth.

Delving into high-growth stocks entails relatively higher capital risk but could be worth your while to grow your wealth rapidly, provided that you invest it in the right companies. Buying growth stocks and holding on to your investments for a long time could provide you with stellar long-term shareholder returns.

Dye & Durham stock and Cargojet stock could be ideal assets to have on your radar for this purpose, especially at the current valuations for both companies.

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