Canadians: 1 Hot High-Growth Stock With Room to Run

Description

Canadians have many high-growth options to choose from, with the **TSX Index** climbing back again after the bit of turbulence endured this early autumn. Undoubtedly, Fed jitters weren't as bad as they could have been. Even with the Bank of Canada hinting at quicker rate hikes, it doesn't seem like we'll be destined for a repeat of the "Fed put" selloff suffered around three years prior.

Investors have come to terms with rate hikes. And although high-growth stocks stand to take a larger hit from higher rates, it's important to note that, even after a handful of rate hikes, rates remain historically low. Indeed, the difference between 0.25% and 0.75% isn't much in the grander scheme of things.

The case for buying hard-hit, high-growth stocks in November 2021

With inflation likely to come back down to Earth due to innovation-induced disinflationary forces, I urged Canadian investors not to worry so much about tapering or tightening in response to the spike in inflation.

Now, inflation could be more persistent than expected, and that poses a real risk to this market, especially high-multiple growth stocks. Still, many growth stocks may already have a high chance of much higher rates already baked in at these prices. Remember, markets are forward-looking by some unknown time (I think around a year or two). And uncertainties don't necessarily default to negative. Positive surprises are also positive, and I think many investors are just starting to realize this, as we move into a 2022 that's sure to be filled with question marks.

In any case, some of Canada's top growers could be ready to rally further from here, as investors begin to put their trust in the Fed. Fighting the Fed is not a good idea, especially if they've demonstrated time and time again that they're willing to be gentle with stock investors.

Canadian growth stocks are heating up again

Shares of high-growth Canadian stock **Canada Goose Holdings** (TSX:GOOS)(NYSE:GOOS) have been feeling the full force of 2021's rolling corrections. The stock rolled over in the years leading up to the 2020 stock market crash before bottoming out. Shares have been a turbulent ride ever since, but after a blowout quarter that propelled shares up 20% on Friday, I think investors should look to punch their ticket back into the luxury parka maker before the company picks up where it left off.

In terms of growth profiles, Canada Goose is right up there. The brand has paved the way for incredibly high margins. As the economy continues rolling along, I think the name could be in for some serious sales growth, as the firm looks to continue capitalizing on its omnichannel strength.

The brilliant earnings beat that included a higher forecast is worth getting behind. Despite the 20% pop, I still think the name is way too cheap here at a mere six times sales. Currently, the stock is down just over 31% from its peak hit back in late 2018. Could the peak be hit in 2022? I certainly wouldn't rule it out, as the tides turn in the Goose's favour after a brutal past few years.

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joefrenette