My Top 2 Growth Stocks to Buy in December 2021

Description

Once again, we're nearing the end of the year. It's common for investors to look back at their performance over the past year and assess what changes need to be made to their portfolios. After some helpful reflection, investors should look forward and decide which stocks would make excellent additions as we close out the year. In this article, I'll discuss my top two growth stocks to buy in December 2021.

This is my number one growth stock

When considering **TSX** growth stocks, few companies have a risk-to-reward ratio as appealing as **Shopify** (TSX:SHOP)(NYSE:SHOP). Unlike many other growth stocks, I don't believe there's really a solid competitor to Shopify. In terms of its e-commerce platform business, the most formidable competitor that Shopify faces is likely **BigCommerce**. However, that company doesn't have as impressive a customer base as Canada's leading growth stock. Over this year, Shopify added the likes of **Netflix** to its already stellar list of customers.

It should be noted that Shopify's POS business does face a bit more competition. There are formidable companies in that market including **Square** and **Lightspeed**. However, as a whole, I have to like Shopify's chances of success. If you pair that with the company's potential upside, then it becomes clear why these small competitive risks don't really bother me.

Shopify has proven time and time again that it has the ability to grow. In 2020, the company reported US$5.1 billion in total sales over the Black Friday-Cyber Monday weekend. That represented a 75% increase in sales, year over year. This year, many investors expected Shopify to have a hard time matching those numbers, as consumers returned to physical shopping locations. However, Shopify still managed to beat last year's figures, selling US$6.3 billion in sales. Shopify is a top stock with a lot of upside.

Investors have an excellent opportunity

Generally, I look for companies that have a strong history of market outperformance. I tend not to be very interested in value plays after stocks fall heavily. However, **Nuvei** (TSX:NVEI)(NASDAQ:NVEI) is a very interesting company. Since its IPO, Nuvei has been an excellent stock, gaining more than 270% by mid-September. However, since then, Nuvei stock has been on a downturn.

What's interesting is that growth stocks across the stock market have been stumbling since as well. This means that the struggles that Nuvei has been facing may not be a company issue, but an issue with the broader market. However, investors may have noted that the stock fell nearly 60% earlier this week. The cause? A short report released by Spruce Point Capital Management.

I feel as though that short report didn't really bring forth any real evidence that should alarm investors. There was a section that questioned the credibility of Nuvei's CEO because of a previous driving charge and prior failed businesses. However, I argue that an individual's driving record has no bearing on their ability to run a company, and it's not uncommon for early entrepreneurial exploits to fail. Nuvei is a company with high growth rates that offers investors with a tremendous opportunity. I would buy shares at this discount.

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jedlloren