



3 Growth Stocks to Buy in 2022 and Hold Forever

Description

The Canadian market is on pace to end an incredible year of gains. The **S&P/TSX Composite Index** is up close to 20% year to date. And that's even with the index trading almost 5% below all-time highs set in November.

The stock market is proving that not even a global pandemic will necessarily slow its growth. And with 2022 just around the corner, there's no reason why the Canadian market cannot deliver another year full of growth. I'd expect volatility to continue at similar levels, but another year of 10% growth or higher is certainly not out of the question.

If you're looking to add some growth to your portfolio, you'll want to have these three companies on your radar. The three [growth stocks](#) all own impressive market-beating track records that I don't see ending anytime soon.

Growth stock #1: goeasy

The first pick on this list may be one of the best-kept secrets on the TSX. **goeasy** ([TSX:GSY](#)) has quietly been a six-bagger over the past five years compared to the market's 35% return. Still, I wouldn't blame [Canadian investors](#) for never having heard of this nearly \$3 billion company.

goeasy is in the consumer lending space. The company provides Canadians with all kinds of different loans, focusing primarily on personal and home categories.

For a financial services company, the growth stock has put up incredibly impressive numbers. And with the country slowly continuing to reopen, a spike in consumer spending wouldn't be surprising to see in 2022. If consumer spending does indeed jump next year, goeasy could expectedly see an increase in demand for its services.

Growth stock #2: Shopify

Even with the company's recent selloff, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is still Canada's largest company.

Shares of the [tech stock](#) are down 20% from just about one month ago. The market as a whole has been down over the past month, but many high-growth companies, including Shopify, have slid much more than that.

Shopify's massive \$200 billion market cap hasn't seemed to significantly slow revenue yet. The growth stock is coming off a quarter where it saw year-over-year quarterly revenue growth come in just shy of 50%.

The growth of the e-commerce industry has accelerated during the pandemic. And with Shopify being ranked as a global leader in the space, I believe Canada's largest company is worth every penny of its frothy valuation.

Growth stock #3: Constellation Software

If Shopify's valuation is too high for your liking, **Constellation Software** ([TSX:CSU](#)) may be a better fit for your portfolio.

The tech stock's valuation pales in comparison to Shopify as it's a much more mature company, far past its high-growth days. Shares trade today at a much more reasonable forward price-to-earnings ratio of slightly over 30.

Constellation Software is definitely no value stock but it's well priced considering its market-beating track record. Growth has slowed in recent years, but the growth stock is still largely capable of delivering market-crushing gains in the coming years.

This tech company is perfect for growth investors that are looking to limit volatility in their portfolios. Constellation Software won't be able to match Shopify's growing in the coming decade, but I'd bank on volatility being much lower.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:GSY (goeasy Ltd.)
4. TSX:SHOP (Shopify Inc.)

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