Forget Penny Stocks: 2 Better Growth Stocks to Buy

Description

The stock market has entered into another state of flux in recent weeks due to a wide range of possible market fears. At writing, the **S&P/TSX Composite Index** is down 4.73% from its latest all-time high on November 12, 2021. From the Omicron variant to rising inflation, higher interest rates, and a slew of other causes, a variety of factors could be weighing down the Canadian stock market.

Some of the top Canadian growth stocks have also been pulling back. Many TSX growth stocks have started going down to valuations that would make them attractive bargains at current levels. Provided that the conditions develop into something more favorable in the coming months, the stock market could be well positioned for a strong rebound.

Value investors looking for penny stocks to realize massive long-term gains might want to reconsider how they deploy their investment capital. Today, I will discuss two TSX growth stocks that you could buy instead of penny stocks for an excellent bargain.

Nuvei

Nuvei Corp. (TSX:NVEI)(NASDAQ:NVEI) stock has had an incredible run throughout 2021. The company managed to grow its revenues by over 90% this year and improved its profit margins despite scaling its payments platform. The company consistently generates substantial cash flows, and its management has done a fantastic job of making strategic acquisitions while focusing more on organic growth.

Nuvei's adaptive platform will only continue to become more important for merchants that rely on its service, especially due to the surge of digitized payments worldwide. Nuvei faces plenty of competition from well-established peers in this space, but the company possesses every potential to make it big.

The stock is trading for $63.62 per share at writing, and is down by 63% from its all-time high in September 2021.

Sangoma Technologies

Sangoma Technologies (TSX:STC) stock is not one of the most notable names in the Canadian tech industry. Boasting a market capitalization of just $413.72 million at writing, Sangoma stock is effectively a small-cap stock, but it might not be a company to shrug off. The company is a leading provider of unified communications-as-a-service for small-and medium-sized businesses.

Sangoma Technologies recently completed the acquisition of a U.S.-based cloud-focused peer, expanding its geographical footprint and increasing its recurring revenues. The stock has been on a downward trend since it pulled out of a U.S. initial public offering, but it may still become a publicly-listed company in the U.S. later. The company still boasts some of the highest margins in its niche industry, while many of its peers are not yet profitable.

At writing, Sangoma Technologies stock is trading for $21.75 per share, and it could be well worth adding to your portfolio.

Foolish takeaway

It is crucial to remember that with any investment in the stock market, there is an inherent risk. The concerns that are leading to the downward correction in the stock market today could easily make way for a better operating environment and rapid recovery in the next few weeks. But the situation could just as easily worsen, leading to a prolonged bear market.

Investing in Nuvei stock and Sangoma stock could be profitable in the coming years, but you might have to stomach short-term challenges as we enter 2022 with hope and fear of what’s to come. Consider allocating your capital carefully while understanding the risks if you choose to invest at this time.

CATEGORY

1. Investing
2. Stocks for Beginners

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)
3. TSX:STC (Sangoma Technologies Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. adamothman
2. gsmiley

Category

1. Investing
2. Stocks for Beginners

Date
2025/08/25
Date Created
2021/12/21
Author
adamothman