



2 Canadian Growth Stocks to Buy Today and Hold Forever

Description

The recent volatility in the Canadian stock market has me preparing to make some last-minute buys this year. There are lots of top [growth stocks](#) on the **TSX** that are trading well below all-time highs right now. Valuations of the top growth companies are still high, but they're much lower than where they were earlier this year.

The new COVID variant has been the culprit for much of the volatility over the last month. The **S&P/TSX Composite Index** was up more than 20% year to date coming into November. Today, the index is down almost 5% from all-time highs set last month.

The [tech sector](#) is where I'm looking to make my portfolio's next addition. Tech stocks were not having a great year prior to the Omicron variant, and prices have only slumped even more over the past month.

Short-term investors may not be interested in these two high-valued stocks. But if you're planning on holding for the next five years or longer, these two market-leading companies are strong buys right now.

Descartes Systems

This \$8 billion company has quietly been returning market-crushing gains to its shareholders for years. **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)) is up close to 250% over the past five years, compared to the Canadian market's return of less than 40%. The growth stock has also been more than a 10-bagger over the past decade.

At a forward price-to-earnings ratio above 50, shares are certainly not cheap. But considering the growth it has put up in recent years, [Canadian investors](#) should expect to pay a premium. It's also trading 10% below all-time highs today, which is why I'm looking to pull the trigger soon.

Another reason to have this growth stock on your watch list is due to the expected increase in demand for the company's services. The current supply chain issues that companies across the globe are

dealing with right now definitely bodes well for Descartes Systems.

The company operates in the logistics and supply chain management space. It provides cloud-based solutions that improve efficiency throughout the logistics and supply chain management processes.

With a market opportunity that is only growing, this is not a growth stock I'd suggest betting against. So, if you've got some last-minute holiday shopping to do, I'd make sure to have this tech stock on your watch list.

Shopify

As Canada's largest company, most investors are familiar with **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Even though shares are down close to 20% from all-time highs, the company is still valued at a market cap above \$200 billion.

Shopify is likely past its high-growth years, but that definitely does not mean investors have missed the boat. I strongly believe that the growth stock has many more years of market-crushing gains ahead of it.

Even at its massive size, Shopify continues to grow revenue at an incredibly impressive rate. In the company's most recent quarter, it's \$1.1 billion in revenue was up close to 50% year over year.

At that kind of growth, it should come as no surprise that Shopify is richly valued. At a price-to-sales ratio of close to 50, there aren't many other Canadian stocks as expensive as Shopify.

If you can stomach the expected volatility, Shopify is a company that you can bank on for many more years of market-beating growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:SHOP (Shopify Inc.)

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