New Investors: 1 Top Cheap Growth Stock to Start 2022

Description

Now is as good a time to get started investing if you've been on the sidelines, waiting for the slate of market risks to blow over. Indeed, risks are at a high point, with the Omicron COVID variant of concern spreading rapidly through the world and interest rate hikes that are just months away. With inflation also persisting, the economy may find itself between a rock and a hard place.

Regardless, investors must navigate through such risks, because, like it or not, there will always be risks out there: those that can be prepared for and those not even on anybody's radar. Undoubtedly, COVID was on nobody's radar once the clock struck midnight on January 1, 2020. Indeed, it's the risks one can't see that could be the worst.

A rocky road ahead for growth stocks in 2022?

As for the risks that everybody knows about, they've mostly already been baked into stock market valuations. There's no point in worrying about what everybody else is worrying about. Instead, one should ask themselves whether markets are overblowing a situation or if things may not be as baked in as they could be, given the severity of the impact.

Back in January of 2020, I'd warned investors that COVID could have a detrimental effect on the air travel space, urging investors to dump names like **Air Canada** before they had a chance to flop on what was then a pandemic in the making. Today, Air Canada has been slogging, moving up and down, like waves of COVID. Although it's too soon to load up on shares, given the modest recovery trajectory of the international air travel industry, I think it's not at all a bad idea to nibble at such aggressive reopening plays as a part of a diversified "barbell" portfolio that carefully balances COVID risks.

Undoubtedly, many investors have been balancing COVID risks for around two years now. We're sick of the new normal and want to focus on the great reopening. That said, the move into endemic territory may or may not happen when we think it will. The pandemic remains unpredictable, and as long as it's still a cause for concern, investors must remain diversified.

Shopify stock: The ultimate Canadian core holding for new investors?

In this piece, we'll have a look at two cheap growth stocks that should be able to continue doing well as intermittent restrictions occur over the next year or so. **Shopify** (TSX:SHOP)(NYSE:SHOP), the e-commerce powerhouse is an outstanding beginner stock to kick off 2022. Despite clocking in solid results through 2021, the stock has waned in the face of the latest broader growth-driven pullback. Indeed, Omicron could weigh on the economy's recovery prospects. That said, lockdowns and all the sort can benefit Shopify's business, as it did in 2020. Now, I don't think full lockdowns will result from Omicron. But Shopify is well positioned to do its part to help its customers grow their sales digitally, as physical sales begin to feel the impact of restrictions.

Shopify has a brilliant management team, a massive TAM (total addressable market) that hasn't yet been meaningfully penetrated, and a means to raise the growth bar, with its ability to expand into new verticals such as payments. Add metaverse and cryptocurrency trends into the equation, and I think Shopify is more than just an e-commerce play; it's a way to stay at the forefront of technological trends. For that reason, the stock is a screaming buy, because I think it's just a matter of time before it's right back to a new all-time high.

Bottom line

Shopify may not seem like a beginner stock, given it's much more volatile than the TSX. That said, if investors are young, they should look to take a bit of extra risk for the shot at colossal rewards over the next five, 10, or even 20 years.

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