



2 Top Growth Stocks to Watch in January

Description

Markets rose substantially on Monday in what appears to be a strong start to the Santa rally that could extend into January. Undoubtedly, there's a lot of risk on the table, but investors may be too cautious, given many firms can continue growing their earnings at a stellar rate. With holiday sales rising by around 8%, a scenario where corporate earnings power stocks higher in spite of rate hikes and Omicron seems quite plausible.

In any case, investors should focus on firms with long growth runways and the means to outgrow potential headwinds that lie ahead. Remember, it's the firms that have the ability to continue swimming forward, even if the tides turn against it, that can help you do well over the long run.

Top growth stocks that could power higher

In this piece, we'll look at two attractively valued growth stocks that I believe could outgrow their now slightly depressed multiples. The 2021 tech selloff has been vicious, but it could be overdone, especially with the many stocks that were dragged down through no fault of their own. Many growth stocks out there don't deserve to be punished as harshly, given they could make a move into sustained profitability sometime soon.

Consider **Alimentation Couche-Tard** ([TSX:ATD](#)) and **Ballard Power Systems** ([TSX:BLDP](#))([NASDAQ:BLDP](#)), two intriguing growth stocks that could continue benefiting from broader adoption of the next generation of electric vehicles (EVs) over the next five years.

Couche-Tard

Couche-Tard is a convenience retailer that's done remarkably well in Norway, a market that's embraced EVs. Still, there's a bit of doubt as to whether the convenience store giant can thrive, as EVs go mainstream in the North American market. Undoubtedly, EVs still represent a small minority of cars on the roads. Over the next few years, though, that number is poised to increase considerably. Couche-Tard will be one of the drivers pushing many consumers to opt to go electric over the next decade.

Indeed, the selection of EVs is growing, and prices are falling. The only thing stopping many consumers is the availability of charging stations. That's where Couche-Tard comes in. Over time, gas stations are likely to be replaced with charging stations. And with that, consumers will have more time to spend at Couche's convenience stores. Whether Couche decides to get into hot food, double-down in groceries, or something else remains to be seen.

Regardless, Couche is in good hands, as it looks to electrify its existing gas stations over the coming decade. I think the [success](#) it experienced in the Norwegian market is replicable. For that reason, I'd add the cheap growth stock to your radar in January.

Ballard Power Systems

Ballard Power stock has suffered a massive fall from grace, plunging around 68% from its all-time high of around \$50 and change per share. There was a lot of excitement surrounding the \$4.7 billion company when the growth stock rose to its peak. Such excitement has all but evaporated, but should it have? Probably not. The electric fuel cell developer still has a front-row seat to an intriguing market. And now that most investors have moved on, I'd argue that Ballard is a compelling contrarian option for those willing to take a risk.

Indeed, supply chain woes have hit the firm where it hurts. But as fellow Fool [Amy Legate-Wolfe pointed out](#), such disturbances will ease with time, given China's fuel cell EV ambitions over the next decade. Could BLPD stock be a case of short-term pain for long-term gain? I think that could be the case.

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