



2 Rookie Stocks That Could See a Breakout in 2022

Description

Not every newcomer in the stock market is worth investing in, even the most awaited ones. Some of the most anticipated IPOs of the last decade couldn't live up to the hype that surrounded their entry into the market, while few under-the-radar rookie stocks went on to become successful giants in their respective industries.

So, it's important to look at rookie stocks from a relatively broader perspective and with an open mind. They might offer something that might not look glamorous or groundbreaking right away but might have the potential to change the market in a subtle way, growing the company to epic proportions as a result.

There are two rookie stocks that only joined the TSX last year that *might* break out and see powerful growth in 2022.

An insurance company

Insurance is a relatively competitive market in Canada, with giants like **Manulife** and **Sunlife** dominating the scene. You might be justified to think that a new stock in this arena might not be able to thrive, but **Definity Financial** ([TSX:DFY](#)), a rookie [insurance stock](#), is not a rookie *company*. It evolved out of Economical Insurance, which was founded in 1871 and just celebrated its 150-year anniversary.

Definity Financial, however, is more than just Economical insurance. It's a combination of four insurance companies, which makes its insurance product portfolio quite extensive. It covers the car, home, farm, business, pet health, and family insurance. It also includes Sonnet, an exclusively online insurance underwriting company.

It only joined the TSX in Nov 2021, making it one of the freshest stocks currently trading on the Canadian stock market. Since its inception, the stock has risen about 7.7%.

A crypto trading mobile application company

Voyager Digital ([TSX:VOYG](#)) is a U.S.-based company listed in the Canadian stock market. It's a [digital asset broker](#) that started out in 2018 and already boasted 2.7 million users, about one million of whom have funded their trading account. It allows its users to trade over 70 digital assets and has approximately \$7 billion worth of assets under its management right now.

This commission-free trading application has identified a healthy number of business avenues it can branch out into, and it's already launching a debit card, which comes with a much higher reward percentage than the market norm.

As a trading platform, Voyager Digital stands to make money *regardless* of how different cryptocurrencies are faring, as long as there is enough trading activity. The company's success will most likely be defined by how rapidly it grows its user base and how much capital its users trust it with.

Foolish takeaway

It's not advisable to invest in new companies when learning [how to invest](#). There is almost no financial data and no well-established pattern to gauge the future potential. But even a rookie investor can make a lot of money with rookie stocks if they understand the industry, business landscape, and the particular market.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:DFY (Definity Financial Corporation)

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