



2 Growth Stocks to Start a Portfolio With in 2022

Description

Now is as good a time as any to be investing. The Canadian stock market is coming off an incredible year with the **S&P/TSX Composite Index** gaining over 20%. And despite the pandemic continuing to wreak havoc across the country, there are lots of reasons for investors to be bullish as we kick off the new year.

For anyone new to investing, I've reviewed two top TSX stocks that are perfect for anyone focused on [growth](#). As long as you're comfortable with some volatility, I would have these two picks at the top of your watch list in 2022.

Growth stock #1: Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) may not be a cheap investment, but it's been worth every penny for patient shareholders so far. The tech stock is hovering around \$1,500 a share, which may be a bit pricey for some [new investors](#). But if you have the option to purchase fractional shares, I'd highly suggest investing in Shopify.

The tech company has been one of the top growth stories on the Canadian stock market since going public in 2015. Shares are up an unbelievable 4,000% in fewer than seven years of trading on the TSX. Growth has understandably been slowing, but the tech stock is still up a market-crushing 2,000% over the past five years.

On top of Shopify's hefty price tag, the growth stock's valuation is also far from cheap. As a result, shares have endured high levels of volatility since the day it went public. And with shareholders banking on many more years of growth, I don't see this growth stock being considered cheap anytime soon.

But with Shopify now trading 30% below all-time highs, investors have a chance to pick up shares at a massive [discount](#). This likely won't be the last 30% market drop for Shopify. But if you've been waiting for an opportunistic entry, this is it.

Growth stock #2: Constellation Software

For growth investors that aren't interested in Shopify's steep valuation, **Constellation Software** ([TSX:CSU](#)) is a perfect choice. The tech stock may trade above \$2,000 a share, but its valuation is far more reasonable.

Ever since Constellation Software went public, it's been a market-crushing performer, delivering gains year after year. Since joining the TSX in 2006, the tech stock has averaged an incredible annual growth rate upwards of 30%.

At a market cap of nearly \$50 billion, Constellation Software is much smaller than Shopify. It is, however, a far more mature company. Constellation Software has become much more dependable on acquisitions in recent years to help fuel revenue growth.

As a result of its slowing growth, Constellation Software now trades a price much lower than many other growth stocks. That cheaper valuation has been able to keep volatility relatively low, considering the growth that the tech stock continues to put up.

Constellation Software is likely past its high-growth multi-bagger days as a public company. But by no means at all do I think the growth stock will begin underperforming the market anytime soon.

Foolish bottom line

If you've already got a few other high-priced growth stocks on your watch list, Constellation Software may be a better fit for you. If instead, you're looking to add some growth to your portfolio, you'll be thanking yourself in a few years for starting a position in Shopify.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

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1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)

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