



3 Canadian Growth Stocks to Buy if This Volatility Continues

Description

There's no question that all this [volatility](#) in markets lately is catching all the headlines, and rightly so. For one, the market has been on a strong and consistent rally ever since the initial pandemic [pullback](#), and until now, hasn't faced a major headwind. In addition, it's also one of the best times to buy Canadian growth stocks while they're undervalued.

And while there are several stocks trading cheaply today, here are three of the best to buy, especially if this volatility continues.

One of the best Canadian growth stocks to buy and hold for years

One of the best Canadian growth stocks to buy over the last few years has been **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). And now, after it's sold off significantly and is currently trading 50% off its 52-week high, the stock certainly looks like it could be [undervalued](#).

Looking at several metrics, it's clear that Shopify hasn't been this cheap since the pandemic began. The company's trailing [price-to-sales \(P/S\) ratio](#) is below 20 times, for the first time since March 2020. In addition, its forward P/S ratio is now below 25 times for the first time since the pandemic began.

So it's clear that the massive premium that Shopify has traded with over the last few years has been eroded in the recent volatility. That means if you're looking to gain exposure to the e-commerce giant, now is an excellent time to buy.

While the pandemic's impact on Shopify may be easing, the progress and growth the company has already achieved has put it several years ahead of where it would have been without the pandemic. In just over two years, its sales, as well as gross profit, have increased by more than four times.

Furthermore, in 2018 the company wasn't earning [free cash flow](#) yet, and as of the last four quarters, Shopify was earning \$500 million in free cash flow.

So it's clear Shopify has grown tremendously, and because of all the potential e-commerce still offers, it has a long runway for more growth. Therefore, if this volatility continues, Shopify is certainly one of the best Canadian growth stocks to buy now.

A top Canadian retail stock

Another excellent company to take advantage of while it's cheap is **Canadian Tire** ([TSX:CTC.A](#)). Canadian Tire is one of the best-known brands in Canada.

For years it's had an incredibly popular business among Canadian consumers and has generally grown consistently. In recent years, though, the company has found another gear. Its high-quality acquisitions of companies and brands like Party City as well as Helly Hansen have been paying off nicely.

In addition, its commitment to building its e-commerce platforms long before the pandemic hit has also been a significant contributor.

So with the stock trading almost 20% off its 52-week high and in the bottom half of its 52-week range, it certainly looks like it's worth an investment at this price. Not only do you get a discount buying the shares, but Canadian Tire, one of the best dividend growth stocks to buy now, also offers a current [yield](#) of almost 3%.

A top Canadian real estate growth stock

Last on the list is an incredible long-term [growth stock](#), **InterRent REIT** ([TSX:IIP.UN](#)). InterRent is one of the best Canadian growth stocks to buy since it's such an excellent investment to own for the long haul.

InterRent's main business strategy is to acquire properties and expand its portfolio while also improving the value of the assets and the cash flow they can yield. It's done this time and again, acquiring older buildings and then spending a tonne of money to renovate the units, upgrade the amenities and therefore increase the rent it can charge for these units.

This not only allows InterRent to earn more cash over time, but it also increases the value of its properties and, therefore, the [net asset value](#) of the fund.

In fact, since 2016, InterRent has more than doubled its revenue and its profitability. So while the stock trades off its high, it's certainly one of the best Canadian growth stocks to consider buying today.

CATEGORY

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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CTC.A (Canadian Tire Corporation, Limited)
3. TSX:IIP.UN (InterRent Real Estate Investment Trust)
4. TSX:SHOP (Shopify Inc.)

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