2 Growth Stocks to Keep on Your Radar in February

Description

Investors have certainly experienced some impressive returns owning growth stocks over the past decade and a half. Indeed, since the Great Recession, rock-bottom interest rates and dovish Federal Reserve monetary policy have created a perfect storm for fast-growing companies.

However, the winds are changing direction in the financial world. A more hawkish stance by the Fed, and signals of rate hikes, don't bode well for growth stocks. Accordingly, many higher-growth companies are seeing massive selloffs right now.

However, I think this selloff has been somewhat indiscriminate. There are a few top-notch companies worth considering amid this turmoil. Here are two of my top picks right now.

Top growth stocks: Restaurant Brands

One of the top fast-food conglomerates in the world, **Restaurant Brands** (TSX:QSR)(NYSE:QSR) is personally one of my top holdings. While this company has underperformed of late, I think the reasons for this underperformance are largely behind Restaurant Brands.

The company was hit harder than most by the pandemic. However, with recent protests domestically and abroad, I think the global economy is going to shift into a more open state shortly. As folks increasingly find themselves out of the house, fast-food sales should increase proportionately over time.

Restaurant Brands's core banners include the likes of Tim Hortons, Burger King, Popeyes Louisiana Kitchen, and now Firehouse Subs (the latest brand addition). These world-class banners provide Restaurant Brands with a unique moat I see as integral to the company's long-term stability and growth.

For the past seven years, Restaurant Brands has continued to raise its dividend. Given rather unimpressive capital appreciation of late, this has meant QSR stock now provides a very attractive yield of 3.8%. For those seeking stability, growth, and dividend income, Restaurant Brands checks all the boxes right now.

Spin Master

Another top growth stock I've been bullish on of late is **Spin Master** (TSX:TOY). Indeed, this top TSX growth stock had an impressive 2021, with growth taking off in a meaningful way. However, I think this company is well positioned for continued impressive growth in the quarters and years ahead.

Spin Master generates its growth from the company's diversified portfolio of children's entertainment offerings. It started as a toy manufacturer, and Spin Master has hit some big home runs with its toy launches. Accordingly, the company has parlayed these brands into digital games and streaming options for children.

I think the company's 25% year-over-year growth rate this past quarter is replicable for the foreseeable future. This company's cutting-edge stable of household children's brands provides this company with a durable competitive advantage. Indeed, it's the IP behind Spin Master that has me excited.

Should this growth continue, I think Spin Master's valuation at 23-times earnings is dirt cheap. This is a stock I will be considering should these weak market conditions continue forward.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:QSR (Restaurant Brands International Inc.)
2. TSX:QSR (Restaurant Brands International Inc.)
3. TSX:TOY (Spin Master)

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Author

chrismacdonald