3 Top Canadian Growth Stocks to Buy for Investors of All Risk Tolerances

Description

The easiest way to describe the goal of investing is to buy low and sell high. So while focusing on stocks that are undervalued and low in price can be one strategy to consider, finding top growth stocks to buy, which are always growing higher in price, is another excellent investment strategy.

Growth stocks can be some of the best stocks to own. However, typically, the more growth potential you look to gain exposure to, the more risk you have to take on as a result. So this leaves risk-averse investors on the sidelines. However, not every growth stock has to offer a tonne of growth potential and a tonne of risk.

So if you're looking to buy a company that should continue to expand its operations and grow its share price over the long haul, here are three of the top stocks to buy now.

A low-risk growth stock to buy and hold for years

While a utility stock like **Emera** (TSX:EMA) may not be thought of as a growth stock, the company is consistently increasing its dividend and expanding its operations. So although you may never see the stock post massive growth in a short amount of time, it's an excellent low-risk stock to buy and hold for years.

Emera is a low-risk investment because the utility services it offers are essential, they are regulated by the government, and they are well diversified. So Emera can plan how it will spend capital on growing its operations, and while it's not significant growth compared to other stocks or industries, there are few roadblocks to achieving this growth, which is why it's such a low-risk investment.

In addition, Emera is much less volatile than the rest of the market, and because it offers a current yield of 4.5%, it's one of the top dividend growth stocks to buy for Canadian investors today. Plus, in addition to Emera, if you're a risk-averse investor, there are plenty of other high-quality growth stocks in defensive industries to consider.

A medium-risk growth stock that's ultra-cheap right now

If you're looking for a growth stock that has a bit more risk but certainly offers more reward, I'd recommend **Shopify** (TSX:SHOP)(NYSE:SHOP), especially while it trades ultra-cheap.

Typically tech stocks are some of the highest-risk, highest-reward stocks. However, because Shopify is so large, has such a dominant position in a rapidly growing industry, and is currently trading so cheap, it's much less risky than a typical tech stock.

It does still trade at an elevated valuation, albeit a more reasonable one for such a high-quality growth stock. But that does present the risk that it and other tech stocks do see their valuation metrics re-rated lower, especially as we face higher interest rates this year and potentially beyond.

Nevertheless, if you buy Shopify with the intent to hold it for years, you can mitigate much of the risk that's left at this price. As long as you believe the company can continue to execute and dominate, then Shopify is one of the top Canadian growth stocks to buy now.

One of the top high-risk growth stocks to buy now

It's crucial to be careful investing in high-risk stocks, as they can rise and fall in value quickly. But one of the top high-risk growth stocks for Canadian investors to buy today is **WELL Health Technologies** (TSX:WELL). And much like Shopify, because it's already so cheap, most of that risk has already been mitigated.

WELL Health Technologies is a health care tech stock that saw a tonne of momentum from the pandemic. The company owns several digital health apps and telehealth businesses, which is what gives it some considerable growth potential.

Since the pandemic has largely gotten under control, though, the demand for these businesses has declined slightly, and WELL's lost its tailwind. And now, with higher interest rates, the tech stock has been facing a significant headwind.

So why would it be a top Canadian growth stock to buy now? Because WELL Health's stock is now so cheap, there's little downside risk. Furthermore, like Shopify, if you plan to own it for years, you can reduce the risk even more.

So if you're a higher-risk investor looking for a top Canadian growth stock to buy, WELL is one of the best.

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1. Investing
2. Stocks for Beginners

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2. TSX:EMA (Emera Incorporated)
3. TSX:SHOP (Shopify Inc.)
4. TSX:WELL (WELL Health Technologies Corp.)

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2. Stocks for Beginners

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