



1 Bruised High-Growth Canadian Stock That Looks Pretty Intriguing Here

Description

This stock market has been so [unforgiving](#) to new investors, many of whom got into the investment game to make a considerable amount of wealth on a near-term basis. Chasing momentum and getting rich on the day to day or week to week is exciting. But investing isn't supposed to be that fun, unless it means staying patient over the course of years and watching your investment grow over the extremely long term. Indeed, near-term fluctuations in the market have been choppy. But they don't necessarily mean it's a very risky time to be a buyer. Remember, pockets of undervaluation can exist in a market where there's a lot of overvaluation. As a stock picker, I firmly believe you can stay out of trouble and pick away at the bargains en route to long-term TSX outperformance.

Odds are that such market-beating performance will accompany a [boring long-term strategy](#). But in this market, you shouldn't focus on trying to get rich quickly. You'll just feel the full force of the next decline. Undoubtedly, those who chased momentum after the fact in 2020 or 2021 are now on the receiving end of losses. Sadly, such losses could take years to recover. It's a true shame that many new investors were likely victims of the great plunge in tech stocks we've witnessed.

Battered and bruised: How new investors can proceed

If you're holding a bruised growth stock down over 60%, it may make sense to hold if you're still a believer and your financial models have not changed for the worse. But if you're like many new investors who are not properly diversified (think 100% tech, with some ARK exposure), it's time to take a step back and treat the recent sell-off as an opportunity to learn and improve your long-term investing goals.

Sometimes, you just have to be content with creating wealth at a modest rate, while passing up on things like Bitcoin that have minted so many millionaires. When the tides turn, you'll be glad you did. It may feel awful when everyone else gets rich off Bitcoin and speculative assets as you sit on your hands. Indeed, the lure of quick riches is great, especially with beginners. Just look at Sir Isaac Newton, one of the smartest people to have ever lived. Not even he could resist the urge of quick riches with the "sexy" investment of his day, which came crashing down back to Earth.

A falling star growth stock to catch?

In this piece, we'll have a look at one battered growth stock that I think is worth buying on the dip. As everyone gives up on the growth trade, it may very well be time to start nibbling on the way down. Contrarian strategies are sometimes the best at getting the most bang for your buck. And at this juncture, I think **Constellation Software** ([TSX:CSU](#)) is a baby thrown out with the bathwater.

The profitable tech stock is down around 15% from its high, thanks in part to recent damage done to the sector. Despite its hefty multiple, the name is backed by some very strong fundamentals and earnings prospects. Still, the stock is not dirt-cheap at over 20.5 times forward earnings. But as a proven TSX-beater with brilliant managers that know the small-end of the software space very well, I do think that shares represent relative value.

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