3 Explosive Growth Stocks to Buy Now

Description

Growth stocks have continued to be hit hard by this recent bout of market uncertainty. There's the threat of a
Russia-Ukraine war brewing. On top of already high inflation and expectation of rising interest rates, this hasn't been good for highly valued stocks.

However, those taking a longer-term view of various top growth stocks may liken this situation to the onset of the pandemic a year ago. Outsized bearish sentiment can provide a unique entry point for growth investors.

Here are three top growth stocks I think are worth keeping on the watchlist right now.

Top growth stocks: Shopify

Shopify (TSX:SHOP)(NYSE:SHOP) is an operator of a cloud-based commerce platform that's built for small- and medium-sized enterprises. Merchants use this company's software to incorporate online sales channels to their existing infrastructure. Being able to have mobile and web storefronts on top of pop-up or brick-and-mortar shops is a big deal.

In many ways, Shopify has democratized retail. This company's focus on innovation and growth in new segments, such as Shopify Payments, Shopify Capital, and Shopify Shipping will likely favour the company's top line in the upcoming quarters.

That said, Shopify's recent earnings showed slower-than-expected growth. This has led to a quickly declining share price, with SHOP stock now trading below $840 per share. Just last year, Shopify traded above $2,200 per share, and showed no signs of slowing.

For those taking the longer view on growth stocks, Shopify is certainly a company to watch at these levels.

Constellation Software

Constellation Software ([TSX:CSU](#)) is perhaps one of the best growth stocks in Canada from a long-term historical perspective. This company creates and customizes software for private and public-sector markets. With operations in Australia, North America, Europe, Africa, and South America, Constellation has grown via organically building and acquiring software companies with untapped verticals.

As a growth via acquisition play, Constellation remains my top pick in the Canadian market. Indeed, this is a company with a wide-ranging portfolio of companies serving distinct sectors in many markets. Additionally, Constellation has shown continued growth, with the company's recent results highlighting just how impressive this rollup strategy has been.

Revenue growth of 27% for a company of this size is impressive. For those bullish on the software space, Constellation's long-term growth trajectory is one that should be taken into consideration.

Spin Master

Spin Master ([TSX:TOY](#)) is a top global children's entertainment organization that develops phenomenal play experiences via a diverse portfolio of digital games, innovative toys, and entertainment franchises. The company is widely known for award-winning brands Bakugan®, Kinetic Sand®, Hatchimals®, Rubik's Cube®, PAW Patrol®, GUND®, and Air Hogs®.

Spin Master's recent results highlighted the impressive growth this company has seen, driven by these top brands. Top-line growth of 27% on a year-over-year basis is impressive. However, where this growth is coming from is what investors seem to like. The company's licensing and digital games divisions spurred most of Spin Master's growth, with toy revenues also seeing increases.

The fact that Spin Master's margins remain robust, despite supply chain issues and inflationary headwinds is something to consider. Indeed, as far as consumer discretionary stocks go, Spin Master is one of the top growth stocks in the market right now, in my view.

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2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:TOY (Spin Master)

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Date
2025/07/03
Date Created
2022/02/21
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