1 Cheap, off-the-Radar Canadian Growth Stock to Check Out as Markets Correct Further

Description

With the **S&P 500** and **Nasdaq 100** plunging below their January 2022 lows over the Ukraine-Russia crisis, investors appear more than willing to panic sell, rather than panic buy, as the tech-heavy Nasdaq looks to flirt with bear market territory. It's ugly out there, with high inflation and central bank interest rate hikes imminent. It's the crisis going on in Ukraine that has many investors hitting the panic button, though. Undoubtedly, this was a major risk that few saw coming just months ago. And it's these such negative surprises, like the emergence of COVID-19 back in late-February 2020, that are the scariest, especially to beginner investors.

Indeed, investors are in a bit of a tantrum over the unavoidable rate hikes that are up ahead. Add potential economic damage and further inflationary pressures that could result from the Ukraine-Russia crisis into the equation, and the doomsday pundits on Wall Street may finally sound credible.

Yes, there are so many macro things to keep tabs on. Many may keep new investors up at night. But honestly, such things already have many others worried at this juncture. The Ukraine-Russia crisis could propel the **S&P/TSX Index** into correction alongside the S&P 500 and Nasdaq 100. That said, I do think that the growth-to-value rotation will continue to be the dominant trend for most of 2022 and perhaps part of 2023.

A rude awakening for investors

Valuations matter. They always did. Many new retail investors are learning this now, with the "growth at any price" trade absolutely punishing momentum chasers. Will dip-buying work on the previously white-hot growth stocks like **Shopify**? Or will doubling down intensify pain, given such names are struggling to put in a bottom? It's hard to tell. Regardless, investors need not seek answers to such a question. It's unknowable. Instead, position your portfolio in a way such that you'll do well regardless of what happens next. Have a plan in case growth stocks implode further, but don't give up on any trade. Diversification is key for times like these.

While Shopify stock held steady as the Nasdaq 100 tanked on Wednesday, I don't think it's safe to call a bottom in such a name just yet. Not with volatility spiking, while fears take it to the next level.

There's easier money to be made that doesn't require you to take such a massive amount of pain. In the value space, names like **Spin Master** (TSX:TOY) look like a great pick-up amid the market chaos.

Spin Master

Is it time to take Spin Master for a spin? The stock has been a choppy ride in recent months, but it isn't nosediving because the company itself is on the right track. In fact, had the markets not been rattled, I think Spin Master stock would be well above the $50 level. The business itself has a lot going for it, but it's being dragged down regardless.

As a "growth at a reasonable price" stock, I think Canadian investors should look to punch a ticket, rather than try to catch bottoms in the Cathie Wood-owned stocks. Spin Master is off the radar of many, but it's one of those firms that is firing on all cylinders but being dragged down anyway. Profitable growth and value are what you'll get from the name.

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