The Market Continues to Fall: 3 Growth Stocks You Should Buy Today

Description

As I write this article, the market continues to fall. Year to date, the **S&P 500** has fallen nearly 11%. Things, however, have looked a little better for Canadians. Because the financial sector is heavily representative at the top of the **TSX**, it has managed to outperform its American counterpart. Year to date, the TSX has only fallen about 2%.

Despite these disappointing starts to the year, investors should continue to pour money into the market. Many outstanding companies are trading at attractive discounts. If investors manage to build solid positions while prices remain low, it could set them up for massive success in the long run. Here are three growth stocks you should buy today.

Don't give up on this stock

Since hitting its all-time high in November 2021, **Shopify** (TSX:SHOP)(NYSE:SHOP) stock has fallen more than 60%. To put this dramatic decline into perspective, remember that Shopify was once the largest company in Canada by market cap. However, today, it's just over half the size of **RBC**, the current largest company in Canada. Because of this massive decline, investors are wondering if Shopify's days in the sun are over.

I don't think so. In fact, I'm willing to double down on calling Shopify my top growth stock for 2022. I believe that buying shares in Shopify today could set you up for success in the future. In Q2 2021, Shopify surpassed **Amazon** for the first time in terms of quarterly customer traffic. In that quarter, Shopify saw 1.16 billion monthly unique customers visit its stores. This compares to 1.10 billion monthly unique customers on Amazon's marketplace. Shopify stock is certainly struggling today, but don't expect that to be the case forever.

Invest in these two stocks

Two stocks investors should consider buying today are **Topicus.com** (TSXV:TOI) and **Constellation Software** (TSX:CSU). These two companies operate similar businesses but have two very different reasons that warrant an investment.

Let’s start with Topicus. It was once a subsidiary of Constellation Software. In February 2021, it was spun off into its own entity. Since then, Topicus stock has generated a return of nearly 40%. Valued at a market cap of about $7 billion, it has a lot more room to grow in the future. What makes Topicus so interesting is that it focuses on the highly fragmented European market. This gives the company a lot of potential acquisition targets. If it can follow Constellation Software’s winning playbook, it could become a major winner over the next decade.

Next, let’s take a look at Constellation Software. Since its IPO, the stock has generated a return of 11,348%. This represents a CAGR of nearly 35%. This return gets even more impressive once dividends are accounted for. With that said, investors that bought $10,000 worth of shares in Constellation Software’s early years would be millionaires today.

Historically, Constellation has focused on acquiring small- and medium-sized VMS businesses. However, in 2021, it announced that the company would finally begin targeting large VMS businesses for acquisition. This won’t be an easy transition to make. However, the company continues to be led by its founder, Mark Leonard. As long as he’s around, I’d feel confident that Constellation will manage to stay on the right track.

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1. Investing
2. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

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2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSXV:TOI (Topicus.Com Inc.)

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jedlloren