



## 2 TSX Growth Stocks That Are Charging Higher Today

### Description

After a stiff decline so far this year, [growth stocks](#) on the **TSX** are starting to get a bid again. Certainly, it is difficult to tell if this recovery is sustainable. However, the **S&P/TSX Capped Information Technology Index** has demonstrated several consecutive upward trading days since March 14.

### The stock market has been overly pessimistic

Given the consistency of the recovery, this might be indicating a change in sentiment towards [growth stocks](#). Well-known investment manager Barry Schwartz might have the answer for this. Yesterday, he tweeted a quote by Barton Biggs and stated the following:

“Why do stock prices rally when the headlines are still terrible? ‘[T]he news doesn’t actually have to be good, it just has to be less bad than what has already been discounted in prices.’”

*Barry Schwartz quoting Barton Biggs*

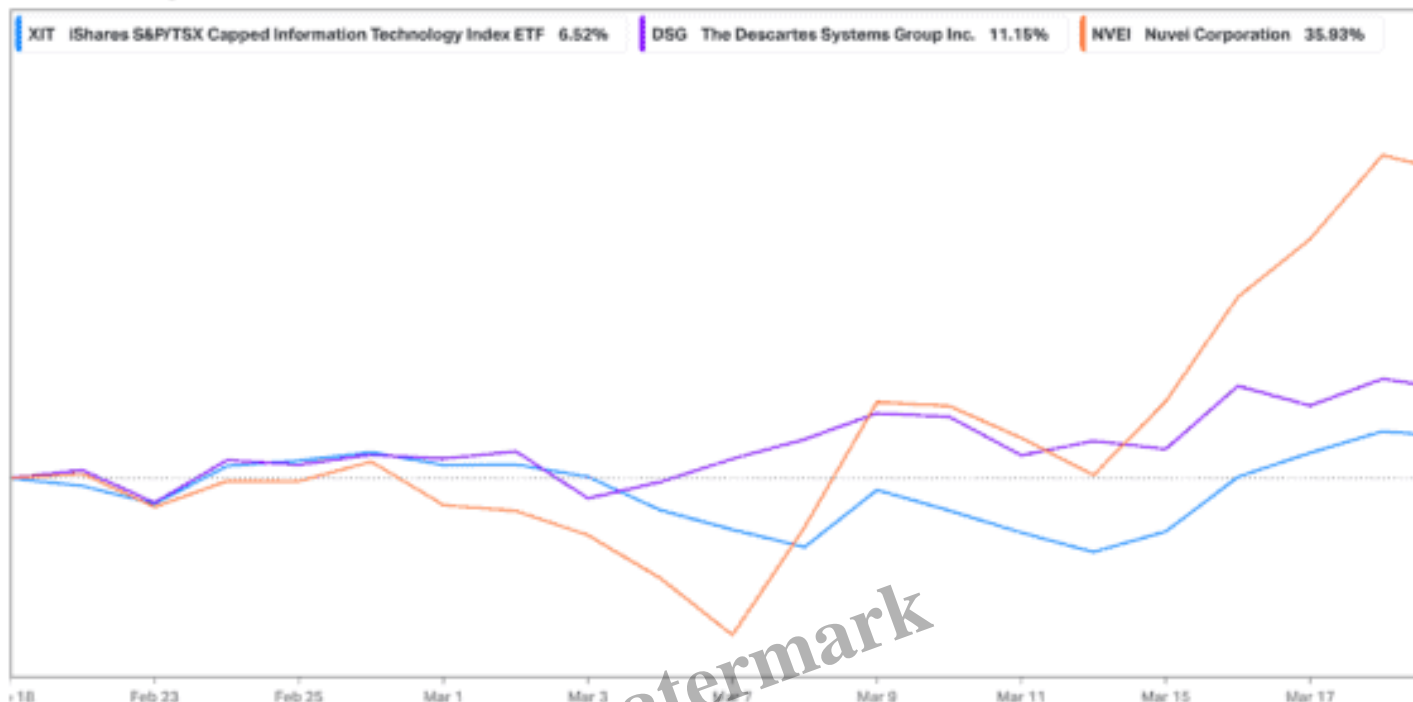
There is a lot of uncertainty both economically and geopolitically. Yet, a lot of this “bad news” has already been overweighted by the market. As a result, we are now seeing a lift as news is just “less bad” than has already been priced.

Undoubtably, volatility will continue to persist. Yet, there are some signs that a potential bottom for TSX growth stocks has been reached. Considering this, investors could have a little more confidence to buy if there are further pullbacks to come.

Two TSX tech stocks that have recently been seeing strong price recoveries are **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) and **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)).



TSX Growth Stocks Seeing a Strong Recovery



## Nuvei: A leading TSX payments stock

Over the past five days, Nuvei stock has recovered by over 27%! Keep in mind, this TSX stock is still down 43% since it was hit by a short report last fall. However, the bounce back is a welcome recovery for patient investors.

Nuvei operates a payments platform that enables merchants across the world to accept and manage various payment methods, currencies, and even [cryptocurrencies](#). The company delivered a monster year in 2021. Total payments volumes increased year over year by 121%, revenues grew 93%, and adjusted EBITDA grew 95%.

While guidance expects payment volumes, revenues, and adjusted EBITDA growth will slow to the range of about 30%, management believes this growth rate can be sustained into the future. Likewise, it has a longer-term target for increased profitability and higher EBITDA margins.

This TSX stock can be volatile, so I would perhaps wait for a further pullback to add to the position. However, the longer-term future for this business certainly looks promising.

## Descartes Systems: A top TSX software stock to buy and never sell

Descartes Systems is another TSX growth stock that has been enjoying strong momentum. Its stock is up more than 10% in the past month. In fact, this stock has remained resilient through the recent market downturn.

Descartes operates the world's largest logistics communications network. Likewise, it has a large suite of software-as-a-service offerings for the shipping/logistics industry. It has a very resilient business that *actually* benefits from supply chain uncertainty. A large majority of its revenues are recurring, and it captures very high (+40%) EBITDA margins from its business.

This TSX stock is almost never cheap. Given its reliable business model, it always trades at a premium multiple. However, for a long-term hold, this is a very well-managed, highly profitable business that should compound for many years to come.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:DSG (The Descartes Systems Group Inc)
4. TSX:NVEI (Nuvei Corporation)

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