Millennials: 3 Dirt-Cheap Growth Stocks to Buy Now

Description

Millennial investors have been tasked with navigating an increasingly turbulent stock market in 2022. Canadian stocks suffered sharp losses to start the spring season. However, the last few trading sessions have seen the TSX stage an impressive rebound. Today, I want to look at three growth stocks that have flashed oversold signals in middle of May. Millennials may want to consider snatching up these equities right now. Let's dive in.

Millennials waiting for a home purchase can still win off real estate with this growth stock

The Canada housing market has experienced massive increases in valuations over the past decade. This has made it difficult for the millennial generation to get in on this market. However, younger investors can get in on the real estate space by snatching up a growth stock like **Home Capital Group** (TSX:HCG). This Toronto-based company provides residential and non-residential mortgage lending and other credit services in Canada.

Shares of Home Capital have plunged 27% in 2022 as of close on May 17. The Canada housing market has seen a big dip in sales after a set of interest rate hikes from the Bank of Canada (BoC). This could present a great buying opportunity for millennials in the conventional real estate market as well as in a growth stock like Home Capital.

This stock currently possesses a very attractive price-to-earnings (P/E) ratio of 6.2. Moreover, it offers a quarterly dividend of $0.15 per share. That represents a 2% yield.

This reeling cannabis stock is still geared up for strong earnings growth

Cannabis stocks surged back in late March after potential recreational legalization gained significant ground in the United States. However, that momentum quickly petered out in the beginning of April. **HEXO**

(TSX:HEXO)(NASDAQ:HEXO) is a Quebec-based company that produces, markets, and sells cannabis in Canada. Its shares have plunged 54% so far in 2022.

This company released its second-quarter 2022 results on March 18. Total net revenues increased 61% year over year to $52.8 million. Meanwhile, it posted an adjusted EBITDA loss of $5.6 million — up from a $11.2 million loss in the prior year. HEXO is still on track to post strong earnings growth going forward. Millennials who want exposure to a reeling sector may want to snatch up this growth stock today.

One more cheap equity for millennials to consider right now

WSP Global (TSX:WSP) is another growth stock that could be perfect for a millennial portfolio in 2022 and beyond. This Montreal-based company operates in the professional services consulting space in North America and around the world. Its shares have plunged 24% so far this year. The stock is still up 3.1% from the same period in 2021.

The company unveiled its final batch of fiscal 2021 results on March 9, 2022. Its total backlog delivered 10% growth for the full year. Meanwhile, revenues rose 16% to $10.2 billion. Moreover, adjusted EBITDA increased 25% year over year to $1.32 billion. Better yet, adjusted net earnings jumped 50% to $592 million in 2021.

Shares of this growth stock are trading in favourable value territory at the time of this writing. Millennials can also count on its quarterly dividend of $0.375 per share, representing a modest 1.1% yield.

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3. TSX:HEXO (HEXO Corp.)
4. TSX:WSP (WSP Global)

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