



Bear Market: Your Chance to Create Serious Wealth With 2 Growth Stocks

Description

The Canadian stock market has dipped close to 9% from its 52-week high. The U.S. stock market has corrected almost 19%. We're not yet in [bear market](#) territory, which, by definition, means a correction of 20% or greater from a high. However, we could potentially experience a bear market soon, as some economists believe we have an increased chance of experiencing a recession over the next 12 months.

No matter what, investors should not fear market corrections or bear markets, because they provide opportunities for you to create serious wealth by investing in solid growth stocks.

Market downturns aren't the time to take excessive risk, though. Forget about growth companies that are unprofitable or have poor balance sheets. It would be smart to diversify your capital across better businesses — wonderful businesses that grow their profits and cash flows and have rock-solid balance sheets. Here are some growth stock ideas to start your research.

Nuvei stock

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock is an interesting pick for long-term growth. It's a payment platform that provides solutions in mobile, online, and in-store payments to its merchants and partners.

Recent results have been promising. The company reported volume growth of 42% to US\$29.2 billion and revenue growth of 43% to US\$214.5 million in the first quarter. Particularly, e-commerce volume represented 88% of total volume and organic revenue growth was 32%. Its adjusted EBITDA, a cash flow proxy, also jumped 40% to US\$91.6 million.

For the quarter, adjusted earnings per share increased 31% to US\$0.46. And cash flow from operating activities rose 23% to US\$65.7 million. At the end of the quarter, it had US\$735 million in cash that provides financial flexibility.

Management set medium targets including volume growth rate of +30% and revenue-growth rate of +30%. As well, it targets an adjusted EBITDA margin of +50% over the long term.

The [tech stock](#) was whipsawed by the growth stock bear market. NVEI stock has lost about 66% from the peak at roughly \$61 per share at writing. Nuvei stock investors who can withstand the volatility could do well over the next three to five years. Over the next 12 months, analysts are calling for upside potential of 76%!

Brookfield Asset Management stock

Some investors may be more comfortable holding growth stock **Brookfield Asset Management** (TSX:BAM.A)([NYSE:BAM](#)) instead. The global alternative asset manager invests in a diversified portfolio of real assets (real estate, infrastructure, private equity, renewable power, credit) — many of which are cash cows.

While expanding its ever-growing portfolio, BAM has been collecting increasing management and performance fees, as well as raising its dividend. The growth stock's 10-year dividend-growth rate is 8.4%. And it yields about 1.2% today.

The stock's correction of about 25% from its peak is a great time to accumulate shares for long-term investors. BAM's goal is to generate long-term rates of returns of 12-15% on its investments, which it has achieved and will continue accomplishing. In the past 10 years, the growth stock has delivered annualized returns of approximately 17%, which implied doubling investors' money every four years or so. Because Brookfield Asset Management stock is cheap now, it's likely to deliver a compound annual growth rate of +16% over the next decade. Analysts think the quality stock is discounted by about 27%.

CATEGORY

1. Investing
2. Stocks for Beginners

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2. NYSE:BN (Brookfield Corporation)
3. TSX:BN (Brookfield)
4. TSX:NVEI (Nuvei Corporation)

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