2 High-Growth Stocks to Buy Hand Over Fist This Week

Description

The year 2022 is proving to be disastrous for high-growth stocks, as they continue to tumble amid concerns about high inflation, interest rate hikes, and continued supply chain disruptions. While these factors are crashing most growth stocks, as investors try to avoid risks, some fundamentally strong growth stocks could still pleasantly surprise investors by staging a sharp recovery in the near term, as their financial growth trends remain strong.

In this article, I'll highlight two such high-growth stocks that Canadian investors can add to their portfolios right now to get outstanding returns on their investments in the long run.

goeasy stock

goeasy (TSX:GSY) is a consumer lending and leasing services firm with a market cap of about $1.7 billion. Despite a consistent strength in its financial growth trends, the recent crash in growth stocks has taken its shares down by 42% this year so far to $104.13 per share.

In 2021, goeasy reported a 27% YoY (year-over-year) increase in its total revenue to $827 million, as the demand for its financial services went up with easing pandemic-related restrictions. This demand also helped the Mississauga-based company post a solid 38% jump in its adjusted earnings for the year to $10.43 per share.

Moreover, a recent increase in loan organizations across all its products and channels and stable credit and payment performance have helped goeasy start 2022 on a strong note. This could be one of the reasons why Street analysts estimate the company to report a more than 20% rise in its total revenue in the ongoing year, while its earnings are expected to see over 13% YoY positive growth. I expect these positive expectations and growth factors to help goeasy stock recover fast. While it's difficult to find a growth stock with good dividends, goeasy is an exception in this regard, as its stock offers a decent dividend yield of around 3.4% at the moment.

Shopify stock

Shopify (TSX:SHOP)(NYSE:SHOP) has arguably been the most popular Canadian growth stock since it was listed on the TSX in May 2015. SHOP stock has consistently yielded outstanding positive returns for its investors each year since then. However, the recent carnage in the growth stocks has made it the worst-performing TSX Composite component in 2022.

In the March quarter, the Canadian e-commerce services provider reported a 13% YoY drop in its total revenue to around US$1.2 billion after the pandemic-driven sudden surge in demand for its services subsided. This was one of the key factors why its adjusted earnings for the first quarter fell by 90% from a year ago to US$0.20 per share.

While bears may try to justify its terrible stock performance this year by pointing to its slowing financial growth trend, I don't find this argument valid to justify its massive 76% year-to-date losses, as nothing major has changed in Shopify's long-term growth outlook in the last couple of quarters. And that makes SHOP stock look dirt cheap right now with a potential to stage a sharp recovery as soon as investors shift their attention from short-term macro challenges to its long-term growth potential. Given that, you can consider adding this Canadian growth stock to your portfolio today.

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