2 Canadian Growth Stocks to Buy on the Dip Right Now

Description

The **S&P/TSX Composite Index** is down by 7% from its March 29, 2022, high at writing. The entire stock market appears to be selling off, creating problems for investors across the board. Many investors tend to take their money away from equity markets during volatile environments like this.

However, there are a tonne of different stocks trading for cheaper valuations, presenting many opportunities for the more daring investors.

Investing in growth stocks does not seem like the ideal way to go if you have a low to moderate risk tolerance. Let's suppose you are an investor with a balanced portfolio with plenty of defensive assets and the ability to take on some risk, and you have the capital to spare right now. The current market environment could be ideal for you to scoop up shares of growth stocks on the dip.

Finding high-quality stock to own for the long run can help you generate significant returns if your investments outperform the broader markets, especially when you buy them for cheap. If you are willing to assume the risk that comes with investing in growth stocks, I will discuss two assets to consider.

Fallen e-commerce giant

Shopify (TSX:SHOP)(NYSE:SHOP) is a $56.62 billion market capitalization giant in the global e-commerce industry. From being the blue-eyed tech darling of the TSX, Shopify stock's performance on the stock market is far from where it used to be. The investing environment has not favoured the tech industry and growth stocks in general for some time now.

Shopify stock trades for $448.75 per share at writing, down by 71.09% year to date and a massive 79% from its all-time high in November 2021. Its decline is more related to the broader investor sentiment about growth stocks and tech stocks. However, the company's growth has slowed — only a natural result of the world moving into the post-pandemic era.

The uncertain market environment could send its share prices down further. However, it might be the right price point to invest in its shares if you are confident that it can deliver stellar long-term growth once investor sentiment improves.

A defensive growth stock

Jamieson Wellness (TSX:JWEL) is a $1.40 billion market capitalization company involved in manufacturing, distributing, and marketing branded natural health products. The onset of a global health crisis led to a surge in demand for healthier products, boosting Jamieson Wellness's performance. The broader weakness in the market has seen its share prices decline by a significant margin in recent weeks.

Jamieson Wellness stock trades for $34.42 per share at writing, down by 13.45% and 20.34% from its November 2020 all-time high. It might not be trading for as significant a discount as Shopify stock, but Jamieson Wellness stock's performance indicates more reliability in the current environment. It also boasts a tonne of long-term potential.

Foolish takeaway

Remember that stock market investing is inherently risky. Allocating your capital to growth stocks during volatile market environments entails even greater risk. However, making the right bets right now could provide you with substantial returns in the long run, making you a far wealthier investor down the line.

It is impossible to predict exactly where the market will go in the coming weeks and months. But if you are bullish about the long-term potential for Shopify stock and Jamieson Wellness stock, these two beaten-down companies could be excellent investments for you to consider on the dip.

CATEGORY

1. Investing

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2. TSX:JWEL (Jamieson Wellness Inc.)
3. TSX:SHOP (Shopify Inc.)

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