



## 5 Top Canadian Growth Stocks to Buy in July 2022

### Description

Tech stocks saw a jump after a long bearish trend. Is this jump, the end of the seven-month-long decline that pulled **iShares S&P/TSX Capped Information Technology Index ETF** down 47%? Or are some [value investors](#) buying into oversold stocks before the next wave of selloff triggered by another Fed interest rate hike. In either case, the steep decline between April 21 and June 17 has created a great discount for some large- and mid-cap growth stocks.

### Five growth stocks to buy in July

- Descartes Systems ([TSX:DSG](#))([NASDAQ:DSGX](#))
- Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#))
- Open Text ([TSX:OTEX](#))([NASDAQ:OTEX](#))
- Magna International ([TSX:MG](#))([NYSE:MGA](#))
- TransAlta Renewables ([TSX:RNW](#))

### Tech stocks

[Tech](#) is still the future, and a looming recession could reiterate the need for companies to adopt technology to become cost efficient. Three stocks that could benefit from this technology adoption are supply chain management firm Descartes, omnichannel commerce platform Lightspeed, and enterprise information management software company Open Text.

The war has disrupted the global supply chain, creating the need for a revamped supply chain, with several suppliers to reduce dependence on one supplier. The more parties in the supply chain, the more complex it is to manage. That calls for the need for technology, and that's a win for Descartes. Open Text has a similar advantage, as it helps organizations big and small through their digitization process. Both the companies benefit from their diverse customer base.

Unlike Descartes and Open Text, Lightspeed's customer base is fragmented and limited to small and medium retailers and restaurants. Its platform makes commerce efficient with services like payments,

billing, shipping, and order booking. But the stock has dipped 80% from its peak to a valuation too attractive to ignore. It will take a big hit from the recession. But its \$1 billion cash reserve will help it withstand recession and return with a full swing, as the commerce recovers, creating a long-term growth potential.

## Magna stock

While it is true that the tech sector has a majority of growth stocks, other sectors also have some lucrative growth stocks. Magna International is waiting for the electric vehicle (EV) revolution to revive from the supply constraints. The company has the capacity, technology, and orders to take a significant share in the EV market. But chip supply shortage and rising electricity prices are limiting its growth. One after the other, these headwinds pulled the stock down 40% from its June 2021 peak. Some investors get disheartened, because of the prolonged bearishness of the stock.

The automotive industry has longer cycles. Hence, their bearish and bullish momentum lasts a long time. In 2011, Magna witnessed a year-long dip of 38%. Once the bearishness ended, the stock surged over 290% in three-and-a-half years. This history could repeat, as Magna is only being pulled back by supply constraints that are taking longer to resolve due to geopolitical issues. Buy this stock and forget it for five years. It has the potential to give you triple-digit growth plus a 3.13% dividend yield.

## TransAlta Renewables

Another good combination of growth and dividend is TransAlta Renewables. It is an energy stock that gives it the benefit of demand, as electricity will never be out of demand in this digital age. Again, supply is where the growth is. The company builds and operates wind, hydro, gas, and solar power projects. It has a strong pipeline of projects underway and sufficient capital to build them. Renewable stocks see small growth phases whenever an energy bill supporting green energy is passed.

TransAlta stock fell 16% from its last peak in April when the United States and Europe imposed sanctions on Russian oil and reiterated their clean energy path to [reduce dependence](#) on Russian oil. Renewable energy is in a long-term growth trend, given the investment wind and solar power projects attract. The stock surged 69% in nine years while giving an average dividend yield of over 6%. This is a stock to buy and hold for the long term, as countries work their way toward reducing carbon emissions by 2030.

### CATEGORY

1. Investing
2. Stocks for Beginners

### TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. NASDAQ:OTEX (Open Text Corporation)
3. NYSE:LSPD (Lightspeed Commerce)
4. NYSE:MGA (Magna International Inc.)

5. TSX:DSG (The Descartes Systems Group Inc)
6. TSX:LSPD (Lightspeed Commerce)
7. TSX:MG (Magna International Inc.)
8. TSX:OTEX (Open Text Corporation)
9. TSX:RNW (TransAlta Renewables)

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#### **Date**

2025/08/13

#### **Date Created**

2022/07/03

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