



Market Correction: Buy 2 Oversold Stocks to Get Rich

Description

Market corrections are a perfect time to invest and create significant wealth in the long term. Given the steep correction, most TSX growth stocks appear to be oversold. However, only a few have solid fundamentals that could fuel the recovery rally in those stocks and help generate a considerable amount of wealth over time.

Here are two TSX stocks that have corrected significantly but have solid growth potential and could comfortably beat the broader market averages by a wide margin in the long term.

Nuvei

Shares of the payment technology company **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) dropped nearly 78% from peak. A short report from Spruce Point, concerns over consumer spending amid an increase in macro headwinds, and a slowdown in e-commerce growth is to blame for this correction.

Despite all these concerns, management's tone has been positive, which is comforting for shareholders. Nuvei's management expects to deliver at least 30% volume and revenue growth per annum in the medium term. The guidance appears to be achievable given the anticipated reacceleration of e-commerce growth.

Further, its investments in sales, diversified network of distribution partners, and the expansion of its alternative payment methods bode well for growth by driving new customer acquisitions. Also, Nuvei's focus on expanding its digital assets and solutions and ability to generate more revenues from existing customers through cross-selling and upselling its products at a limited incremental cost are positives.

Nuvei is also targeting emerging markets to accelerate its growth. Further, its focus on opportunistic acquisitions and expansion into high-growth verticals will likely drive its financials and stock price.

Overall, Nuvei stock is trading cheap on the valuation front. Meanwhile, its solid fundamentals and measures to accelerate growth are encouraging and could lead to a sharp recovery in its price.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is another [tech stock](#) that has lost substantial value despite its solid fundamentals and market share gains in overall retail. Notably, Shopify faced tough year-over-year comparisons in the first half of the year, and e-commerce demand began declining from the pandemic's peak. This led to a moderation in Shopify's growth and a decline in its stock price.

While Shopify stock is trading at a multi-year low, now is an excellent opportunity for investors to invest in this high-growth company. Shopify faces easier comparisons in the second half of the year. Moreover, its initiatives to boost growth are gaining traction and will likely support its growth in the coming quarters.

Shopify is investing in fulfillment and POS, which will strengthen its offerings and augur well for long-term growth. Also, it is expanding its products in new markets, adding new features to merchant solutions, and adding more sales and marketing channels. All these measures will likely drive its paying merchant base and contribute to its recovery.

Overall, Shopify's strong competitive positioning, growing penetration of Shopify Payments and Capital, focus on expanding its fulfillment services, partnerships with social media companies, and investments in growth point to a steep recovery in its stock price.

Bottom line

Investors with a long-term outlook shouldn't miss this opportunity to buy Nuvei and Shopify shares at prices significantly below their highs. These high-growth tech companies have a solid business model and multiple growth catalysts. Moreover, they are likely to benefit from the ongoing digital shift.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:NVEI (Nuvei Corporation)
4. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise

7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Investing
2. Tech Stocks

Date

2025/08/26

Date Created

2022/07/13

Author

snahata

default watermark

default watermark