Buy the Crash? 2 Top Growing Stocks in Canada

Description

With the Canadian dollar at a low point versus the greenback, there's never been a better time to stick to the TSX Index with your next big stock purchase. Indeed, many beginner investors have likely gotten their growth exposure from the U.S. markets over the years. With a weak loonie and a battered Canadian tech sector, I'd argue there's never been a better time to check out Canada's intriguing (and now oversold) high-growth tech scene.

It's not just **Shopify** (TSX:SHOP)(NYSE:SHOP) stock that's an enticing play after shedding more than 80% of its value from peak to trough. Many high-tech innovators are now down in the ditches after a brutal first-half selloff.

As rates continue to rise, such high growers will face mounting pressures. Still, the market tends to overswing to the downside after such vicious selloffs. For young long-term thinkers, there may be real value to be had in today's tossed-out tech studs, as they look to regain their footing in the second half.

With a recession likely on the horizon, it seems foolish (that's a lower-case *f*) to reach for the risk-on plays. However, you simply cannot ignore how much of the ensuing macro headwinds are already baked into share prices.

Shopify

Shopify is not immune from further downside, as consumer spending looks to take a steep dive, while competitors eye the firm's share of economic profits. That said, there may be real long-term value to be had in the name if a recession proves short and the Bank of Canada (and U.S. Fed) overtighten and must compensate by cutting rates after evidence of cooling inflation is in the books.

As investors lower their price targets on Shopify stock, many speculators will be quick to cut their losses, if they haven't done so already. At 8.2 times sales, Shopify stock is still priced with growth in mind. Even as the tides turn against it, management is focused on improving its platform, and it's willing to continue spending great deals of cash to stay dominant. Recently, Shopify acquired Deliverr to bolster its fulfillment business. Undoubtedly, such a deal would make the Shopify platform more competitive through the eyes of merchants and customers.

Though Shopify faces a tough competition in the fulfillment space, I'd argue that it's never a wise idea to count the firm out of the game. The firm has proved doubters wrong in the past, and it may do so again.

My takeaway? Shopify may not be as expensive as it seems if Tobias Lütke and company can integrate Deliverr effectively.

Nuvei

Nuvei is another top growth stock that's seen shares crash hard over the past year. The stock is down more than 77% from its peak and has struggled to bottom out amid relentless downgrades in the analyst community.

The Montreal-based payments technology company faces stiff competition. It seems like everybody has their own payments service these days. What separates Nuvei from the pack is in management's ability to partner up.

Though M&A moves are key to Nuvei's future, one can't help but notice that a lot of deals came in 2020 and 2021, when valuations were at a high point. Did Nuvei overpay for such deals? Perhaps. However, it seems like the firm has already been punished for such. Looking ahead, Nuvei has a lot of growth left in the tank, and it has the ability to take advantage of the recent slip in tech by ramping up mergers and acquisitions.

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