These 2 TSX Growth Stocks Look Attractive Today

Description

Oil prices dropped below the US$100-per-barrel mark earlier this month, and the **TSX** followed suit. The recent-most announcement by the Bank of Canada (BoC) to raise benchmark interest rates by 100 basis points sent the S&P/TSX Composite Index down further. At writing, the Canadian benchmark index is down by a staggering 17.48% from its 52-week high.

The energy sector's bullish performance took a hit with the U.S. Fed's announcement to increase interest rates in the U.S. by 75 basis points. Another dip after the July 13th announcement by BoC was only natural. Investing in anything on the stock market appears risky right now, and many investors are staying away from growth stocks, despite steep discounts.

Investing in growth stocks entails a more significant degree of capital risk. However, Canadian investors who look at downturns as opportunities to purchase high-quality assets for a bargain might become more active. Investors with well-balanced portfolios and a higher risk tolerance level might seek discounted growth stocks.

Today, I will discuss two Canadian growth stocks that you could consider for this purpose.

Nuvei

Nuvei (TSX:NVEI)(NASDAQ:NVEI) is a $5.65 billion market capitalization Canadian global payments technology company. Headquartered in Montreal, it provides digital payments processing solutions to clients across several industries.

Nuvei stock trades for $39.96 per share at writing. It is down by a staggering 77.8% from its 52-week high at current levels. Despite its decline on the TSX, Nuvei continues to post impressive financial figures.

The company's revenue and adjusted EBITDA increased by over 40% in its first quarter of fiscal 2022. The growing popularity and demand for its digital payments processing solutions have added multi-year growth potential for the company.

As the company continues to expand into different markets and adds more payment methods to its portfolio, it could deliver stellar long-term returns to its investors. It could be a steal at current levels.

Descartes Systems Group

Descartes Systems Group (TSX:DSG)(NASDAQ:DSGX) is a $7.04 billion market capitalization Canadian tech company. The Waterloo-based firm specializes in logistics software, supply chain management, and cloud-based services for logistics companies.

Descartes Systems Group stock trades for $82.90 per share at writing. It is down by 28.09% from its 52-week high. The demand for its Software-as-a-Service solutions for the logistics industry remains high because it helps clients improve their performance and productivity, simultaneously enhancing their businesses' security.

Despite its recent decline on the stock market, Descartes Systems stock has put up stellar financial figures. Its April-ending quarter saw its sales and revenue increase by 16.42% and 17.81%, respectively, compared to the same period last year. The company's net income grew by over 25% year over year, and it looks well positioned to deliver excellent long-term returns to its investors.

Foolish takeaway

Canada's tech sector fell out of favour a long time ago, but it boasts some of the best performers among growth stocks during the industry's bullish run. The bear market environment will gradually make way for bullish conditions. It might be worth your while to use it as a chance to invest in high-quality growth stocks trading for a discount.

These two Canadian growth stocks could be excellent buying opportunities for Canadians with a long investment horizon. A word of caution: Rising interest rates and persistent inflationary conditions might result in further declines in growth stocks in the next few weeks.

If you are willing to assume the risk and can tie down your capital for the long run, investing in Nuvei stock and Descartes Systems stock could be a good way to go.

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2. NASDAQ:NVEI (Nuvei Corporation)
3. TSX:DSG (The Descartes Systems Group Inc)
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