



2 of the Top Growth Stocks to Buy Now

Description

The growth trade has soured in a significant way over the past year, with former high-flying studs like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) now down considerably from their all-time highs. Indeed, it's painful for young, aggressive growth investors, many of whom may be down north of 70% on certain holdings within their portfolios. Chasing what's hot at any given time is never a good idea.

Now that the tables are turned, and many growth stocks are now cheaper than their "value" counterparts (at least from a price-to-sales standpoint), young investors may wish to scavenge the wreckage in the hard-hit tech scene.

Let's look at two Canadian growth stocks I'd be willing to give the benefit of the doubt, even if rates cause even more pressure on the broader growth trade.

Shopify

Though a hard-hit tech play like Shopify has shed more than 80% of its value from peak to trough, it's impossible to tell when the bottom is in. Just because a stock has lost most of its value doesn't mean it's undervalued. Investors should insist on stellar management and strong growth profiles to discover real value in the growth space.

Companies like Shopify may be in for a drastic slowdown in sales growth. However, the firm has still yet to fully capture its massive total addressable market in the small- and medium-sized business (SMB) space. Indeed, there's still a lot of growth left in the tank. And once the coming period of economic sluggishness ends and a new bull market is born, I'd argue that Shopify will be back to its market-beating ways.

Now, I'm not calling for Shopify stock to double up many times over toward its all-time highs. Shopify's peak seems out of reach — at least over the next three to five years. That said, the company has the means to post market-beating results from these depths.

With the latest acquisition of logistics firm Deliverr, Shopify is ready to compete with the likes of the

heavyweights in the e-commerce space that promise rapid delivery. It's not just rapid fulfillment that could be a game changer for Shopify. The firm has the opportunity to turn its Shop app into a sticky super app. The app is capable of offering everything from payments and shopping to order tracking. As the app improves upon its search capabilities, I'd look for the app to be a key pillar of growth for the firm and its merchants.

Indeed, the Shopify story remains exciting from a long-term perspective. Even if the next quarter is a stinker, Shopify is one of the Canadian growth stocks that deserves a permanent spot on one's radar.

Lightspeed Commerce

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is another e-commerce company that's lost over 80% of its value. Just over a month ago, the high-tech firm launched a data-sharing platform to help its customers navigate through supply-chain woes.

Undoubtedly, the platform is yet another intriguing innovation that could draw more merchants to its ecosystem. With the recent selloff in the tech space, I'd look for Lightspeed to continue acquiring firms to improve its footing across various high-growth niche markets.

At 5.1 times sales, LSPD stock is an innovator that's now [cheaper](#) than various low-growth consumer staples. For those looking to play a growth comeback, it's tough to look past the name at these depths. Lightspeed stock has recovered from +70% crashes before, and it may be able to pull it off again over the next 10 years.

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