



The 2 Best Canadian Stocks for Beginners Right Now

Description

Investing in the stock market for the long term is one of the best ways to multiply your hard and savings. This is one of the key reasons why the world's great stock investors always advise that [stock market beginners](#) should buy quality stocks and hold them for several years. While it's not easy to time the market, the recent market crash presents a rare opportunity for new investors to enter the market when many fundamentally strong stocks look [undervalued](#).

In this article, I'll highlight two of the best Canadian stocks beginners can buy today and hold for the long term to get outstanding returns on their investments.

Aritzia stock

Aritzia ([TSX:ATZ](#)) is a Vancouver-based apparel designer and retailer with a market cap of about \$4.8 billion. While the company primarily focuses on designing and retailing a range of women's fashion apparel and accessories, it accelerated expansion into men's clothing in June 2021 after acquiring Reigning Champ — a Vancouver-based designer and manufacturer of premium athletic wear.

In recent years, the company has also increased its focus on business expansion in the United States. As a result of these efforts, the U.S. market accounted for nearly 45% of its total revenue in its fiscal year 2022 (ended in February), while the remaining came from its home market.

In the May quarter, Aritzia's revenue [jumped](#) by 65.2% YoY (year over year) to \$407.9 million, as its sales across geographical segments and channels continued to soar. More importantly, its sales in the U.S. surged by a solid 81% YoY during the quarter to account for more than half of its total revenue. Given these positive factors, analysts expect the company to post solid double-digit revenue growth in the next couple of years. Despite these positive factors, ATZ stock currently trades with 17% year-to-date losses, making it look cheap to buy for the long term.

Nuvei stock

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock has been on my radar for quite some time. It's a Montréal-based payment technology solutions firm with a market cap of about \$6 billion. Despite its solid financial growth in recent years, its stock has lost nearly 47% of its value in 2022 so far and currently hovers around \$42 per share.

As COVID-related restrictions accelerated the shift to digital commerce, the demand for Nuvei's payment tech services saw massive growth. With the help of this strengthening demand, its total revenue rose by 93.2% YoY to US\$724.5 million in 2021. Nearly 54% of this revenue figure came from Europe, Middle East, and Africa (EMEA) segment, and another major portion of about 42% came from the North America region.

Earlier this week, Nuvei reported its second-quarter (Q2) 2022 results. During the quarter, its adjusted earnings rose by 15.9% YoY to US\$0.51 per share, exceeding analysts' expectations of around US\$0.47 per share. However, the company also slightly lowered its full-year outlook due mainly to recent unfavourable foreign exchange rates, cryptocurrency market volatility, and uncertainties about the global economy. Its outlook adjustment was the key reason why its stock dived more than 20% on the day of its earnings event.

While I agree that these macro factors might affect Nuvei's short-term growth, its long-term growth outlook remains strong, as the demand for its payment tech services continues to strengthen amid growing digital commerce trends. Given that, a recent dip in this growth stock could be an opportunity for stock market beginners to buy it at a big bargain for the long term.

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