2 Growth Stocks Just Tapped as Must Buys by Analysts for 2022

Description

The **TSX** continues to recover, even after a slip over the last few days. While shares are still down by about 8% since 2022 highs, that's out of market correction territory. Furthermore, the market has recovered by about 10% in the last month alone. And this is a great sign for those seeking out growth stocks.

That's because practically *everything* is going to turn into growth stocks. After major losses, a rebound has to happen eventually. Although some companies will not return to their former growth rates. While others could continue soaring higher, even beyond 52-week highs in the next few months.

In fact, economists recently tapped these two growth stocks as some of the best picks for 2022. So let's get right into it.

CP stock

Economists at **Wells Fargo** recently came out with a main Focus List of top stock picks for investors. On that list we find Canadian company **Canadian Pacific Railway** (TSX:CP)(NYSE:CP). And it's clear why. Most recently, CP stock ended the never-ending arbitration with its union for the next two years. The settlement included a 3.5% wage hike for 2022 and 2023, which came after a labour dispute halted operations in March.

This arbitration was necessary as CP stock needs to get moving if it's going to pay off its US$31-billion acquisition of **Kansas City Southern**. But the company remains confident about future performance, as grain crops remain strong. That's despite surging fuel costs.

While Wells Fargo raised its target price for CP stock to about $110 (US$85), it's not the only fan. Analysts continue to flag this railway stock as one of the strong growth stocks to consider. When Kansas City comes online, shares could triple in the next decade. For now, they are up 16% year to date, and 14.5% since the market started to rebound in mid-July.

BMO

Bank of Montreal (TSX:BMO)(NYSE:BMO) is another of the strong companies that could become one of the best growth stocks out there. First off, it's one of the Big Six Banks, offering investors access to provisions for loan losses. This has been a huge part of why the banks rebound so quickly after market downturns, coming back within a year during the last several crashes, recessions and other dips in the market.

But BMO stock remains above the rest, with shares back where they were at the beginning of 2022. This compares with the other banks that remain far lower. So what gives? An analyst at **Bank of America** stated that with a more favourable market and less credit stress, and continued gross domestic product (GDP) growth in Canada, BMO stock remains the top choice. It has "the potential for superior loan growth" with access to the United States, as well as the synergies seen from its Bank of the West acquisition.

Shares of BMO stock are up by 12% since mid-July, leaving little time to lock in this deal given that the price is on par with January 2022 levels. Shares trade at 7.3 times earnings, with a dividend yield of 4.15%. And if it gets back to 52-week highs, that's a potential upside of 17% as of writing.

Bottom line

Now more than ever it's important to listen to what these analysts have to say. The market is changing and shifting, and not all stocks will be long-term winners. But CP stock and BMO stock could be two of the growth stocks you'll be glad to have in your corner.

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