TSX Dips: Buy These Growth Stocks Before They Rally

Description

The **TSX** had a one-month streak that saw shares of growth stocks rebound higher and higher. Year to date, the TSX is still down by 5%. It's down even further by 9% from 2022 highs. However, that still puts it out of market territory, as it's risen 9.72% since hitting 2022 lows on July 14.

Even still, during the last few days, shares on the TSX have started to falter. That includes with growth stocks that were soaring over the last month. While I think we saw the bottom (but who knows?), it does offer long-term investors an excellent opportunity to get in on growth stocks before they recover.

And if you're going to do that, here are the three growth stocks I'd pick.

Brookfield Renewable

Brookfield Renewable Partners (TSX:BEP.UN)(NYSE:BEP) has been a strong player in 2022. But part of this is because shares hit all-time highs back in 2021. That came with the announcement of a new president of the United States. President Joe Biden announced more investment in clean energy, and that led to a soaring share price of Brookfield stock.

However, that soon fell back and has taken some time to climb back up. Even still, it's been a growth stock that's done well in 2022. Shares are up 12.35% year to date and 10.3% since July 14. But shares fell back by about 2% since last week, providing a bit of a dip for investors to latch onto.

Why latch onto it? Besides being one of the great growth stocks of this year, it promises long-term growth for investors. You get exposure to clean energy assets around the world, with new opportunities, especially in Europe, popping up all over the place. Furthermore, you can bring in dividends of 3.27% as of writing.

Dollarama

I'm not sure investors know what to do with **Dollarama** (TSX:DOL) right now. But, honestly, I believe there is a bigger dip coming and one you'll want to grab onto. Dollarama stock soared higher and higher because of inflation, but this has led to an overpriced company that offers volatility more than growth.

Still, long-term investors should watch for a bigger dip and then grab it. Over time, Dollarama stock has been a great defensive play, especially in times of economic trouble. And while this eventually leads to a pullback in share price, it's still been one of the best growth stocks of the last decade.

Furthermore, the company is expanding in more ways than one. It's increasing its same-store sales, opening new locations, creating a partnership in Latin America, and offering more brand-name products than ever. Dollarama stock is now up 27% year to date but has started to come down by 2% in the last week. So, keep an eye on it for now, especially as it trades higher than consensus price target estimates.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) has had a pretty weird few years, to be honest. The often stable stock has seen growth like usual, but, during the pandemic, it's like investors didn't know what to do with Fortis stock. The security of being a utility company led to significant growth, but that growth has come down in the last few months.

Shares are still up by 1.33% year to date but down by 7% since the end of May when the company hit 52-week highs. But it looks like this is a more reasonable level; it's currently trading at 22.77 times earnings. And while this isn't value territory, Fortis stock could offer investors a great opportunity among their growth stocks.

Fortis stock *will* recover, and so I don't know if I'd wait for either value territory or a rebound to buy. Right now, you still get a discount, one that will climb higher after this recovery. The company also offers a 3.55% dividend — one that's increased every year for almost 50 years! So, I'd certainly consider this stock before it rallies once more.

CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
4. TSX:DOL (Dollarama Inc.)
5. TSX:FTS (Fortis Inc.)

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Author
alegatewolfe