



Got \$2,000? These 2 Growth Stocks Are Near Their 52-Week Lows

Description

Thanks to the high inflation, rising interest rates, and the fear of a recession, it doesn't take a lot of money to invest in [top TSX stocks](#). As investors turned risk averse, several growth stocks are trading near their 52-week lows. This decline presents a buying opportunity for investors with a five- to 10-year view.

So, if you've got \$2,000 and the patience to stay invested for the long term, I recommend **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stocks at current levels. These two TSX stocks are trading near their 52-week lows and have a higher chance of bouncing back strongly, as the economic environment improves.

Shopify

Shopify's growth has slowed, which has weighed significantly on its stock price. Adding to the shareholders' pain, the weak macro environment and strengthening of the U.S. dollar further remained a drag. Due to the recent downtrend, Shopify stock has lost over 82% of its value from the peak, and it is trading near its 52-week low of \$37.49. The slump in this [tech stock](#) creates a buying opportunity for long-term investors.

While the tough macro environment and its impact on consumer spending could continue to hurt Shopify, it faces easier year-over-year comparisons, which will bring some respite. Meanwhile, for the long term, its aggressive investments in strengthening its fulfillment and POS (point of sale) and Deliverr acquisition will accelerate top-line growth and drive its merchant base.

Despite the slowdown, Shopify's revenue has a three-year CAGR (compound annual growth rate) of 53%. The growth is expected to reaccelerate, as the macro situation improves. Further, the increased uptake of its Payments, Capital, and Markets offerings will drive its merchant solutions revenue. Meanwhile, growth in the number of merchants joining its platform and an increase in its number of retail locations using its POS offering supports its monthly recurring revenues. Also, geographic expansion and partnerships with social media companies bode well for growth.

Shopify stock is trading a forward EV/sales (enterprise value-to-sales) multiple of 5.1, which is at a five-year low, thus providing an excellent opportunity for buying near the current price levels.

Nuvei

A short report from Spruce Point, weak global economic conditions, volatility in cryptocurrencies, and currency headwinds dragged Nuvei stock lower, which fell over 78% from its 52-week high. While Nuvei faces headwinds, its business continues to grow at a decent pace, reflected through a 44% increase in its total volume in the second quarter. Further, e-commerce represented about 87% of its total volume.

What stands out is that Nuvei's management reiterated its medium-term outlook. It expects to grow its volume and revenue at an average annualized rate of over 30%, which is encouraging.

Nuvei's growing customer base, the addition of new alternative payment methods, and geographical expansion augur well for its growth. Meanwhile, selective acquisitions will further accelerate its growth rate. Additionally, its ability to generate strong free cash flows, share buybacks, and flexibility to repay debt early are positives.

While Nuvei's business remains strong, its stock is trading at a forward EV/sales multiple of 4.1, which is at an all-time low, providing a solid entry point at current price levels.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

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3. TSX:NVEI (Nuvei Corporation)
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