3 No-Brainer Stocks to Buy on Correction

Description

The continued decline in stocks has unnerved investors and shaken their confidence. However, this correction is a good opportunity for investors to pick up quality stocks, as their valuations are reasonable or at multi-year lows.

While several top TSX stocks have lost substantial value, companies with solid fundamentals and multiple growth engines are expected to bounce back sharply and outperform the benchmark index with their returns. Against this backdrop, here are three no-brainer stocks to buy on this correction.

Shopify: Don't miss its recovery

The normalization of online spending after the pandemic has weighed heavily on **Shopify** (TSX:SHOP). In addition, macro weakness further remained a drag. Given the challenges, shares of this internet-based commerce platform provider have dropped by over 80% from the 52-week high.

This decline is an opportunity to invest in a company with solid fundamentals and robust growth prospects. Meanwhile, its significant share in the e-commerce market (10.3% share in the U.S. retail e-commerce sales in 2021) positions it well to capitalize on the ongoing digital shift in selling models towards multichannel platforms.

Long-term investors should note that Shopify's challenges are temporary and will dissipate soon as the macroeconomic environment improves. Its aggressive investments in e-commerce infrastructure, mainly fulfillment, bode well for future growth. Further, its multichannel capabilities will drive its gross merchandise volume.

Shopify will also benefit from the increased adoption of its tools like Payments, Capital, Markets, and Fulfillment, which will drive its merchant solutions revenue. It continues to add new merchants to its platform and is taking its existing products to international markets, which bodes well for growth. Overall, Shopify stock could witness a steep recovery, as the operating environment improves.

goeasy: A compelling growth story

Financial services company **goeasy** (TSX:GSY) is an attractive investment to compound your wealth. Its stellar growth (revenue and earnings increased at an average annualized growth rate of 16% and 29%, respectively), product expansion, and a large subprime lending market position it well to deliver solid returns.

The momentum in goeasy's business has sustained in 2022, despite macro weakness and uncertainty. Further, goeasy's guidance reflects double-digit revenue growth over the next three years. Thanks to the higher revenues and cost savings, goeasy's bottom line could continue to grow at a breakneck pace.

Besides its robust growth profile, goeasy also offers an attractive dividend, which grew at a CAGR (compound annual growth rate) of 34.5% in the last eight years. This makes it a top dividend stock to invest in for a growing passive-income stream.

Docebo: A new-age tech company

To beat the broader market averages, one should invest a portion of their savings into new-age companies. These companies can grow fast and deliver massive returns in no time. One such new-age tech company is **Docebo** (TSX:DCBO).

Its stock price has lost substantial value, despite the continued momentum in its business. This supports my bullish outlook. Further, the strong demand for its corporate e-learning platform in the post-pandemic shows the durability of its business.

Its performance metrics remain solid, with recurring revenues growing at a CAGR of 66% since 2016. Its average contract value has increased more than four times in the past five years, while its retention rate remains high.

Docebo is poised to gain from the continued demand for its offerings. Meanwhile, accretive acquisitions, new product launches, geographic expansion, and incremental revenues from existing customers provide a solid base for outsized growth for Docebo.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:DCBO (Docebo Inc.)
4. TSX:GSY (goeasy Ltd.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. kduncombe
2. snahata

Category

1. Investing
2. Tech Stocks

Date
2025/08/12
Date Created
2022/10/08
Author
snahata