2 Rising Stars to Buy Today for Massive Growth Potential

Description

Many of the biggest names that stock market investors worldwide are crazy about began as little more than small market capitalization stocks. **Tesla**, a company with a US$661.9 billion market capitalization as of this writing, was worth US$1 billion in 2010. Amazon wasn't worth more than US$100 million 25 years ago. Today, it boasts a massive US$1.2 trillion market capitalization.

Small-cap stocks typically have market capitalizations between $300 million and $2 billion. Not all small-cap stocks will deliver multifold returns. However, some have the potential to make early investors wealthier individuals for buying and holding the stock. Today, I will discuss two such rising stars you can consider buying today for this purpose.

goeasy

goeasy Ltd. (TSX:GSY) is a prime example of a small-cap stock with massive long-term growth potential. It is a $1.7 billion market capitalization Canadian alternative financial services company. Headquartered in Mississauga, goeasy provides loans for various purposes to non-prime lenders.

The long-established publicly traded company began paying its investors their shareholder dividends in 2004, making it a more attractive investment.

As of this writing, goeasy stock trades for $106.8 per share. It is down by almost 40% year to date and 48.2% from its 52-week high. While it is normally not a high-yielding dividend stock, the pullback in its share price this year has inflated its dividend yield to a more attractive 3.4%.

Considering that it's a high-growth stock, its 1.9 trailing 12-month price-to-sales ratio makes it an attractive bet at current levels. This valuation might offer an opportunity for stellar wealth growth you do not want to miss.

Mainstreet Equity

Buying investment properties is not the only way to invest in real estate in Canada. **Mainstreet Equity Corp.** (TSX:MEQ) is a rising star on the TSX that offers you exposure to the real estate market. The $1 billion market capitalization company headquartered in Calgary engages in acquiring, redeveloping, repositioning, and managing mid-market rental apartment buildings.

Mainstreet Equity stock trades for $110 per share. MEQ is down by 8.9% year to date and 28.7% from its 52-week high. The company has seen immense success over the years and has plenty more room to grow.

Mainstreet has expanded its portfolio from 272 units to almost 16,000 units in the last two decades. Specializing in multi-family residential units, Mainstreet Equity has successfully acquired several underperforming properties and improved them to generate sizeable rental income.

The company aims to become a market leader in Canada's mid-market rental properties. Analysts anticipate its revenue to grow from $160 million in 2021 to $195 million this year. The attractively priced stock could be a good bet on sizeable long-term returns for your investment portfolio.

Foolish takeaway

Buying and holding the stock of high-quality companies with the potential to grow significantly over the decades is a wise strategy if your goal is to become a wealthier investor. However, it's important to understand the risk of investing in high-growth and relatively untested companies. You risk losing some or all of your investment if you bet on the wrong company.

Investors with well-balanced portfolios and comfortable with taking risks for high reward potential might want to consider keeping these two TSX stocks on their radar.

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1. Dividend Stocks
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1. TSX:GSY (goeasy Ltd.)
2. TSX:MEQ (Mainstreet Equity Corp.)

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