



The Best TSX Stocks to Invest \$5,000 in Right Now

Description

As most [top TSX stocks](#) have lost substantial value and are trading at a discounted price, now is an excellent time to start a long position in them. Further, given the massive selling, the downside risk remains limited, despite the uncertainty. Also, the easing of inflation and any improvement in the economic environment will give a significant boost to fundamentally strong high-growth stocks.

So, if you plan to invest and can spare \$5,000, here are the best TSX stock worth considering.

goeasy

goeasy ([TSX:GSY](#)) is a must-have stock in a long-term portfolio to outperform the broader market by a wide margin. This consumer finance company has a solid history of delivering profitable growth, which has increased its stock price.

Thanks to its stellar growth, goeasy stock has gained about 308% in five years. For instance, its top line has increased at an average annualized growth rate of 15.9% in the past decade. Moreover, its adjusted net income has a CAGR (compound annual growth rate) of 33.6% during the same period. This growth comes, despite the significant correction in goeasy stock in 2022.

The pullback in goeasy stock seems unwarranted, especially as it continues to grow at a solid pace in 2022. It's worth highlighting that the momentum in goeasy's business has sustained, with its top line growing by 26% in the nine months of 2022. Further, its adjusted net income increased by 11%. What stands out is the high-quality loan origination that provides confidence about its future credit performance.

Its wide product range, higher loans, cross-selling, and omnichannel distribution channels will support its revenues. Moreover, stable credit performance and operating leverage will cushion its earnings. goeasy is also a top dividend stock that has raised its dividend for eight consecutive years. Moreover, its growing earnings base indicates that goeasy could continue to hike its dividend at a healthy pace.

Shopify

Shopify ([TSX:SHOP](#)) stock has climbed about 56% from its 52-low, thanks to the slight moderation in inflation and an expected slowdown in the interest rate hikes. Despite this growth, Shopify stock is still trading at a considerable discount from its 52-week high and has solid upside potential.

A slowdown in its growth rate and fear of an economic downturn has dragged this [tech stock](#) lower. However, the company now faces easier comparisons, implying its growth could reaccelerate. Further, the ongoing shift towards omnichannel selling models provides a multi-year growth opportunity for the company.

Shopify's investments to strengthen its e-commerce platform, increased adoption of its Capital and POS (point of sale) offerings, and expansion of its existing products in new markets will support its growth. Further, adding new features, expanding its fulfillment offerings, and partnerships with social media companies will drive its merchant base.

The uncertain economic trajectory could pose challenges for Shopify stock in the near term. However, its solid competitive positioning, increased penetration of e-commerce channels, growing adoption of high-value products, and improvement in the economy could lead to significant growth in its stock in the medium to long term.

CATEGORY

1. Investing
2. Tech Stocks

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1. TSX:GSY (goeasy Ltd.)
2. TSX:SHOP (Shopify Inc.)

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