2 Growth Stocks Set to Soar Next Bull Market – Should You Buy Now?

Description

After multiple cycles of uncertainty post-COVID and the current economic challenges, which include a burst housing bubble and an uncertain energy market, it's difficult to predict when the next bull market will manifest. Even then, it's hard to be sure whether all sectors and industries will go up during the bullish phase, or will some of them lag behind?

But there is a strong probability that two companies will go up in the next bull market, and you may consider buying them when they are still discounted.

An e-commerce company

E-commerce companies have been suffering for a while now, and **Shopify** (TSX:SHOP) is no exception. The company has lost more than 78.5% of its valuation since its peak last November. After a brief reprieve, the stock has started going down again and fallen over 20% in December alone.

There are reasons to be both afraid of the stock in its current state and hopeful about its prospects in the next bull market. The main reason to be afraid is **Amazon** itself, which is more than an ever-present threat. Then, there are institutional investors who hold more than half of the company. If they start exiting their positions in tandem, Shopify stock could hit rock bottom.

However, there is hope as well. The future-facing Shopify might emerge as a powerful player in the e-commerce of tomorrow, powered and sustained by Web 3.0. Also, as e-commerce activities recover in the next bull market, more small businesses might start leveraging Shopify services. This business would breathe new life into the company's finances, thereby restoring confidence and pushing the stock up.

An alternative financial company

Even during the bear market phase, the financial sector of the TSX didn't fall too hard. But there are many financial companies that have fallen much farther than their peers, and among them is **goeasy** (TSX:GSY

). A straightforward explanation for this stock's 51% fall from its last peak is that it also rose too quickly after the 2020 crash.

Regardless of the reason, the stock is heavily discounted, fairly valued, and currently offering an attractive yield compared to its yield in the past.

As a non-bank lender, the company may suffer from higher interest rates, which may trigger an aversion to borrowing. Though the situation is expected to change in the next bull market. The Bank of Canada is expected to ease off the interest rates, and we may even see a reduction after the first quarter of 2023.

The stock may even start recovering well before that, under the influence of a healthy stock market. However, strong financials and a positive market outlook can help sustain its upward momentum.

Foolish takeaway

Even if the stocks are ready to soar in the next bull market, now might not be the perfect time to buy them. A good idea would be to observe the stocks and not be tempted by small spikes, at least until the recession is over.

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1. Investing
2. Tech Stocks

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2. TSX:SHOP (Shopify Inc.)

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