



## 2 Growth Stocks to Buy With Just \$500

### Description

The stock market recently experienced a trying year. That's probably putting it lightly. Eye-popping losses for investors in a wide swath of [growth stocks](#) may keep some investors up at night. And with central banks continuing to tighten monetary policy, some think the pain will continue into 2023.

That said, this year has started off nicely for many top growth stocks. Investors appear to be looking through this period of tightening to the next period of accommodative policy. Thus, perhaps now is the best time to start considering these beaten-down growth names.

Here's why I think these are two of the top Canadian growth stocks that should be on investors' watch lists.

### Top growth stocks to buy: Constellation Software

**Constellation Software** ([TSX:CSU](#)), a Canada-based software conglomerate, recently suggested a fresh acquisition and spin-out. According to National Bank Financial Markets analyst Richard Tse, this appears to be a replay of CSU's successful move on **Topicus** last year.

WideOrbit Inc., a developer of vertical market software with headquarters in the U.S., has entered a legally binding agreement to be purchased by Constellation Software's Lumine operating group for US\$490 million. WideOrbit would change to a fully owned subsidiary of Lumine Group as a result of the transfer, and Constellation simultaneously offered a deal to spin off Lumine into a distinct, publicly traded business.

According to Tse's calculations, the price paid for WideOrbit suggests 2.9 times enterprise value (EV) to sales and 10.9 times EV to earnings before interest, taxes, depreciation, and amortization multiples on 2021 figures, which he regarded to be "fair and commensurate" with the portfolio of assets of a comparable size held by CSU.

## Shopify

**Shopify** ([TSX:SHOP](#)), one of the most notable e-commerce platforms globally, provides businesses with a new approach to target potential customers.

Shopify's president, Harley Finkelstein, told the *Financial Times* that the company's "Audiences" marketing tool was a key area of focus after forming partnerships with **Meta** and Google in 2022, when the \$46 billion company was being forced to make cuts in other areas of its operations due to a slowdown in the e-commerce sector.

Retailers can pool their consumer data with the new technology and transfer it to Meta's advertising platform. Advertising can then be directed at "lookalike" customers who are more inclined to purchase a product since they have previously purchased items of a similar nature from another merchant. A retailer can target its own clients throughout Google's network of websites by utilizing Shopify's technology.

SHOP stock suffered an [80% drop](#) last year, but it has the potential to jump manifold this year. Now is a great time to invest in this stock.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:CSU (Constellation Software Inc.)
2. TSX:SHOP (Shopify Inc.)

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