Got $5,000? These Are 2 of the Best Growth Stocks to Buy Right Now

Description

With most of the 2010s spent in a low-interest-rate environment, growth-seeking Canadian investors did not have much to complain about. However, 2022 came along with increasing inflationary pressure and the start of a series of interest rate hikes to change the economic landscape in its entirety.

While it took until 2022 for the Canadian economy to see its bull run end, the pandemic was the primary cause of the situation we are in right now. As interest rates rise to keep inflation under control, most investors have veered away from high-risk and high-growth investments. With a greater focus on value rather than high-growth potential, many of the top growth stocks have seen investor interest wane.

Investors with a long-term mindset should not let short-term losses phase them from investing in growth-focused Canadian stocks. If you have a well-balanced self-directed portfolio to mitigate losses during market downturns, it might be a good idea to dip your toes in growth stocks again.

Today, I will discuss two growth stocks you can consider with a long investment horizon.

Docebo

Docebo (TSX:DCBO) is a $1.46 billion market capitalization Canadian tech company offering enterprise-facing cloud-based learning platforms. The company went public in 2019, just in time to take advantage of a changing global landscape.

The pandemic came along to create a surge in the remote work culture, making solutions like Docebo's cloud-based learning platforms essential for organizations across various industries.

As the world ventured into the post-pandemic era, the demand for its software remained but became much lower than the surge as the pandemic peaked. The tech sector selloff did not spare Docebo stock and saw its valuation decline.

As of this writing, Docebo stock trades for $44.46 per share, down by almost 40% from its 52-week high. Even after a hefty discount, it does not trade cheaply. However, it can be an excellent pick if you want to invest in a stock with long-term, multi-bagger growth potential.

Descartes Systems

Descartes Systems Group (TSX:DSG) is another pick to consider for long-term, growth-seeking investors.

The $8.04 billion market capitalization multinational tech company specializes in logistics software, supply chain management software, and cloud-based services for logistics companies worldwide. Despite the troubles for the broader tech sector, Descartes Systems did reasonably well in 2022.

The niche it operates in, as it serves the logistics industry offers Descartes Systems stock a degree of lower volatility than most of its tech sector peers. As of this writing, Descartes Systems stock trades for $94.84 per share.

It is up by an impressive 170.43% from this point five years ago, despite a 16.65% decline from its all-time high in November 2021. Considering the demand for its services and immense long-term growth potential, it can be an excellent pick for investors at current levels.

Foolish takeaway

A word of warning to growth-seeking investors: stock market investing is inherently risky, and growth stocks entail a higher degree of capital risk. Volatile market environments resulted in substantial declines in growth stocks across all sectors, especially Canadian tech stocks.

With uncertainty and the fear of a recession continuously looming overhead, these two TSX growth stocks can see valuations decline this year.

If you have a decade or so of a timeline in mind, the TSX presents plenty of excellent opportunities to consider. Docebo stock and Descartes Systems stock are two growth stocks you can consider adding to your self-directed portfolio for this purpose.

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