



3 Top Growth Stocks to Buy in January 2023

Description

Investing in [growth stocks](#) has taken a back seat amid the Bank of Canada (BoC) cycle of interest rate hikes to control inflation.

Before the inflationary environment got out of control and forced BoC to increase benchmark interest rates, the low-interest-rate environment encouraged investors to go all in on growth stocks. Suppose that the BoC decides to halt the interest rate hikes. In that case, growth investing can make a comeback with a vengeance.

While it remains to be seen whether the interest rate hikes will stop, it is never a bad idea to be prepared for the possibility. If you are looking for growth stocks with solid potential to deliver stellar returns this year and beyond, here are three **TSX** stocks you can consider.

Coveo Solutions

Before the broader meltdown in the stock market, growth-seeking investors had plenty of attractive opportunities to invest in [tech stocks](#). After the tech sell-off, many stock market investors have stayed away from tech stocks like **Coveo Solutions Inc.** ([TSX:CVO](#)). If you are optimistic about growth investing making a comeback, Coveo Solutions might just be a part of the solution.

The \$443.6 million market capitalization tech firm offers solutions for commerce, service, website, and workplace applications through an AI-powered platform.

Companies across various sectors of the economy rely on its solutions, from financial services businesses to telecom companies. With the launch of the Coveo Merchandising Hub, the tech firm has positioned itself in a more favourable position with merchandisers throughout the country.

In its recent most quarterly earnings, Coveo grew revenue from its software-as-a-service segment by 47%, Overall revenue increased by 43% year over year. As of this writing, Coveo stock trades for \$8.55 per share, down by 36.1% from its 52-week high.

NFI Group

NFI Group Inc. ([TSX:NFI](#)) is pivotal in paving the way for a greener and zero-emission future through its battery-electric and fuel-cell electric vehicles. The \$860.2 million market capitalization company currently has 105,000 vehicles in service today, operating in over 120 cities across 13 countries worldwide. The broader market weakness has not been kind to the stock. The tech stock reported three quarters of losses in 2022.

After hitting losses amounting to US\$127.4 million from the previous year, management expects a strong recovery. Governmental support for the business is strong, positioning the company well for short- and long-term growth. NFI has several multi-year commitments to back up its immense growth potential in its core market. The clean bus maker is already making strides in a positive direction.

As of this writing, NFI Group stock trades for \$11.12 per share, down by 45% from its 52-week high and up by 33.3% from its 52-week low.

Ag Growth International

If you are interested in investing in global food infrastructure, **Ag Growth International Inc.** ([TSX:AFN](#)) is an excellent stock to consider. Ag Growth International is an \$860.2 million market capitalization firm based in Winnipeg. The company offers complete solutions and systems for seed, grain, fertilizer, feed, and food – handling everything from planning to manufacturing. Its services, products, equipment, and technology aid with storing, processing, and protecting agricultural produce and inputs worldwide, among others.

In the third quarter fiscal 2022, its profit margin hit almost \$7 million, compared to a \$73,000 loss in the same quarter in fiscal 2021. Its latest quarterly earnings also saw an almost 30% year-over-year growth in its sales at \$402 million, breaking a company record. The company's top brass is fully satisfied with its current trajectory and anticipates further growth in the coming years.

As of this writing, Ag Growth International stock trades for \$45.42 per share, down by less than 2% from its 52-week high and up by almost 60% from its 52-week low.

Foolish takeaway

While another round of aggressive interest rate hikes can reverse the near-term growth trajectory for these three TSX stocks, positive broader developments can send them soaring to greater heights. If you invest in these growth stocks, how much you allocate to these assets should be managed with care.

CATEGORY

1. Energy Stocks
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:AFN (Ag Growth International)
2. TSX:CVO (Coveo Solutions)
3. TSX:NFI (NFI Group)

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