



A Bull Market Is Eventually Coming: 2 Perfect Growth Stocks to Buy Now and Hold Forever

Description

Several investors lost money hand over fist in 2022. While the S&P 500 index fell by 19%, the tech-heavy Nasdaq Composite index declined even further by 33%, as investors continued to shift capital toward lower-risk assets.

Since the financial crisis of 2008, quantitative easing policies provided firms with access to low-cost capital to fund expansion plans. But it also meant companies were sacrificing profit margins to fuel top-line growth leading to weaker balance sheets.

All of this changed in 2022 when red-hot inflation and rising commodity prices led to interest rate hikes by central banks globally. Tech stocks trading at a premium lost momentum and saw their valuations plummet at an accelerated pace.

But the smartest investors generally have a long-term horizon when investing in the stock market. Further, every [bear market](#) has eventually been replaced by a [bull market](#), indicating a turnaround in stock prices is inevitable.

Financial experts also believe bear markets provide market participants the opportunity to create generational wealth, making the ongoing pullback all the more enticing. Keeping these factors in mind, let's take a look at two perfect growth stocks investors can buy now and hold forever.

A data analytics giant

The first stock on my list is a high-growth company operating in the cloud-based data analytics space- **Snowflake** ([NYSE:SNOW](#)). Its portfolio of products and services allows enterprises to simplify data analysis and derive meaningful business insights.

In the last 12 months, Snowflake's revenue rose to US\$1.74 billion compared to its sales of US\$96.66 million in fiscal 2019 (ended in January). It ended the October quarter with remaining performance obligations (RPO) of US\$3 billion. This metric provides transparency with regard to future contracted

revenue that is not yet recognized. At the start of 2020, the company's RPO stood at less than US\$450 million.

While Snowflake's revenue growth is moderating, it increased sales by 66% year over year in the fiscal third quarter (Q3) of 2023. Down almost 60% from all-time highs, Snowflake is valued at a [market cap](#) of US\$45.30 billion, and the stock is trading at 15 times forward sales, which is still quite expensive. Comparatively, the average price-to-sales ratio for companies part of the S&P 500 is just over two times.

But analysts remain bullish on SNOW stock and expect it to surge almost 50% in the next 12 months.

A fintech stock

A quality fintech stock trading on the TSX is **Nuvei** ([TSX:NVEI](#)), which is down 76% from record highs. Driven by highly accretive acquisitions, Nuvei has increased its sales from \$331 million in 2019 to \$966 million in 2021. Analysts now expect sales to surpass \$1.30 billion in 2023.

Valued at less than five times forward sales and a [price-to-earnings](#) multiple of 14.7, Nuvei is quite cheap, given its growth estimates.

The company recently disclosed its intention to acquire Paya Holdings for US\$1.3 billion, leading to an uptick in NVEI stock price. This deal is likely to enable Nuvei to expand its footprint in end markets that are non-cyclical and valued at more than US\$1 trillion.

Due to its cheap valuation and steady growth estimates, Nuvei stock is trading at a discount of 50% compared to consensus price target estimates.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SNOW (Snowflake Inc.)
2. TSX:NVEI (Nuvei Corporation)

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