



## Got \$3,000? 3 TSX Growth Stocks to Buy in January 2023

### Description

It is now time for long-term investors to focus on growth stocks again and bet on the reversal or a pause in the policy-tightening cycle. Higher interest rates have done enough damage, and [TSX growth stocks](#) might end 2023 on a higher note. Even if they might not see a quick reversal tomorrow, some of them look well placed for the long term.

Here are some of the top TSX growth stocks beginner investors could consider.

### Nuvei

Canadian payment processor **Nuvei** ([TSX:NVEI](#)) is one of the stocks that have seen steep drawdowns since late 2021. The stock has gained 30% since the beginning of 2023 but has lost 40% of its market value in the last 12 months.

Notably, Nuvei is a fundamentally strong name. However, the damage we have seen since last year was largely a result of a combination of the broad market weakness and Nuvei's relatively slower growth. In the last 12 months, its revenues increased by 15%, while the net income declined by 40% compared to 2021.

Nuvei could see handsome financial growth in the long term, driven by its scale and diversified revenue base. The company generates revenues from e-commerce and cryptocurrency exchanges. A wider adoption of these could drive its top-line growth higher. The management has guided over 30% revenue growth and over 50% EBITDA margin in the long term. (EBITDA stands for earnings before interest, taxes, depreciation, and amortization).

Note that NVEI stock continues to trade at a stretched valuation even after its sharp fall. However, a respite on the macroeconomic woes and management guidance materializing could create handsome shareholder value in the long term.

## Shopify

Canadian tech giant **Shopify** ([TSX:SHOP](#)) is set to begin a new growth chapter soon. While the last key growth trigger was the pandemic, the fulfilment network could be the next.

Shopify operates in a large addressable market catering to both online and offline merchants. As e-commerce is expected to grow steadily, Shopify's expanding market share and financial growth could follow.

SHOP stock has lost 50% of its value since last year. It has been trading weak since December 2021, when inflation started to turn higher, eventually bringing in higher rates. However, as the rate-hike cycle is expected to pause or reverse this year, growth stocks like Shopify will be in the limelight again.

## Tourmaline Oil

[Energy stocks](#) do not typically fit in the growth context, but they do in the cyclical context. However, the Canadian energy space has made enormous wealth for shareholders since the pandemic. Notably, their outperformance could continue in 2023.

The country's biggest natural gas producer **Tourmaline Oil** ([TSX:TOU](#)) is an appealing bet for all kinds of investors. It has returned 60% in the last 12 months, outperforming peer TSX energy stocks.

Notably, Tourmaline produces its natural gas and oil in Alberta and British Columbia and sells a large chunk of it in premium markets like California. Higher natural gas prices notably boosted its free cash flow growth last year. Its balance sheet also remarkably strengthened last year due to rapid deleveraging.

Now, the company has achieved its debt target, a larger portion of its excess cash is expected to go for shareholder returns in 2023. Even if gas prices have come down big time of late, TOU might outperform this year due to its superior balance sheet, earnings growth, and healthy dividend profile.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:NVEI (Nuvei Corporation)
2. TSX:SHOP (Shopify Inc.)
3. TSX:TOU (Tourmaline Oil Corp.)

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