



Here's My #1 Canadian Growth Stock for February 2023

Description

There have been quite a few Canadian stocks on the move these days. After spiraling downwards, it looks like the TSX today may have reached its bottom back in October 2022 — or so we think.

So, if you're looking to create extra returns in February 2023, I wouldn't blame you. The thing is, there are a few things to keep in mind before looking for a boost. Let's consider those before you dive into my pick for a Canadian growth stock this month.

Consider long-term growth

I've written over and over in the past about how long-term growth always outweighs short-term gains. It's true. Again and again, you can find a solid stock on the TSX stock that's been around for decades and hold it for decades more. Put that same investment in a Canadian growth stock and hold it for the same amount of time, and you're *still* likely to see your solid stock do better.

That's because short-term growth is usually due to the winds of the time. While it may prove to be a great Canadian growth stock in the short term, in the long term, there are bound to be corrections, and then it may even peter out. That's because not every stock is bound for greatness. And even fewer to become household names.

Before you go for this Canadian growth stock, consider its long-term trajectory.

Consider what's happening

Investors should also consider what's going on in the markets and with the company itself before picking up this Canadian growth stock. In the case of this stock, earnings are due next week. What's more, this report could prove to be a strong one.

While it's true that shares are likely to keep climbing towards earnings, they could just as easily fall backwards, as investors look to take out their gains. So, I would consider that as well.

But also consider the market as a whole and where it's headed in the next year. Let's get into that and this Canadian growth stock right now.

My top pick for February 2023

My top choice for this next month has to be Canadian growth stock **Shopify** ([TSX:SHOP](#)). Shopify stock has absolutely soared during the past few months, up 55% in the last three months alone yet still down 41% in the last year.

So, where is it headed? Earnings are due on Feb. 15, and it could be a doozy for the company. After making plenty of cuts, including to its employees, the company then saw a strong Black Friday to Cyber Monday weekend coupled with the holiday season to bring in stellar [revenue](#) growth. So, investors should be watching for that when earnings coming out.

Yet this is all short term. What investors should really pay attention to after that are long-term growth trends. Shopify stock has a strong long-term path to growth. It continues to grow merchant volume and products, with major institutions and even governments using the [company](#).

However, this could eventually come to a head during a recession. Shopify stock has yet to go through one, and all this growth could easily be erased, as we saw in the recent past.

Bottom line

I still believe that Shopify stock will be the top Canadian growth stock on the TSX today for this month. But the long term is anyone's guess at this point. The company still has a lot of convincing to do on that front, and it could be years before it evens out entirely.

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