2 Growth Stocks That Could Finally Rally in 2023

Description

In times of economic uncertainty, investing in growth stocks might not seem like a sound decision, especially if you are a risk-averse investor. The **S&P/TSX Composite Index** has remained largely unchanged in the last few weeks after rallying at the start of the year.

As of this writing. the Canadian benchmark index is up by 6.01% year to date. While economic uncertainty still looms overhead due to tightening monetary policies and inflation, an improving macroeconomic situation can translate to a strong rally for growth stocks with fundamentally strong businesses.

If you are bullish on such a recovery for Canadian growth stocks, I will discuss two stocks worth keeping on your radar for a potential rally in 2023.

Lightspeed Commerce

Technology stocks like **Lightspeed Commerce** (TSX:LSPD) nosedived amid the general selloff of tech companies. A short report dragged the once-soaring tech stock further down.

While the stock's share prices fell, the underlying business' commerce-enabling products continued generating strong demand. The current shift in selling models veering toward omnichannel platforms indicates the possibility of stronger financial performances by Lightspeed stock.

Legacy payment systems are being phased out by many retailers and restaurants, with them opting for technological advancements. Lightspeed's point-of-sale (POS) offerings place it in an excellent position to capitalize on the growing demand.

Its third-quarter earnings saw Lightspeed stock report a $5.4 million loss, which might seem bad. However, it is well below its projected $9 million loss. Overall, its earnings report was positive, with a 24% year-over-year growth in revenue.

As of this writing, Lightspeed Commerce stock trades for $22.21 per share. Down by almost half its 52-

week high valuation, it can be a good buy if the stock rallies this year.

WELL Health Technologies

WELL Health Technologies (TSX:WELL) also lost significant value with the tech sector selloff. However, the healthcare-focused tech company continues to deliver solid financial performances quarter after quarter.

The $858.92 million market capitalization multichannel digital health tech company is Canada’s largest owner and operator of outpatient health clinics. It owns and operates several primary care facilities in North America while offering virtual healthcare services and several other tech-based solutions to healthcare providers.

A strong momentum in its omnichannel patient visits and stronger performances in its virtual services businesses have WELL Health well positioned to deliver solid organic growth.

With strategic acquisitions underway, the telehealth giant can be an excellent investment for growth-seeking investors this year. As of this writing, WELL Health Technologies stock trades for $3.72 per share, down by 34% from its 52-week high but up by 32% year to date.

Foolish takeaway

Provided the market environment shifts from recessionary to bullish conditions, growth stocks can deliver strong returns through a rally this year.

While you should always be cautious investing in growth stocks, especially during uncertain economic periods, WELL Health Technologies stock and Lightspeed Commerce stock are priced low enough to consider keeping them on your radar for a potential rally this year.

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