3 On-the-Move Growth Stocks to Buy in February 2023

Description

Some experts predict a recovery in share prices for TSX Composite Index by the latter part of 2023 due to anticipation that rapid interest rate hikes would slow down and inflation may cool down. For growth stocks, this recovery could be more poignant than with various value sectors that ran up last year.

However, it's also possible that recessionary decreases in corporate profitability could fuel more stock market declines during the first half of this year. We'll have to see how this plays out.

That said, for those who think that we're due for a more pronounced growth stock rally, here are three top options to keep on the radar in February.

Top growth stocks to buy: Shopify

The e-commerce giant made modifications to its pricing, which, according to one analyst, positioned it for better growth. This helped shares of **Shopify** (TSX:SHOP) rise. The monthly cost of Shopify's Basic plan will increase from $29 to $39; its Shopify Plan will increase from $79 to $105; and its Advanced Plan will climb from $299 to $399. Existing Shopify users won't be impacted for three months.

Additionally, Web3-focused stores hosted by crypto-friendly e-commerce giant Shopify now have a suite of blockchain commerce solutions available to them to help improve these companies' user experience.

Shopify is also expanding its offerings and plans to do more in 2023, which many analysts claim will help the stock to grow further. Although stock dropped roughly 80% in 2022, the company has clearly re-ignited its focus on growth and been taking various measures to make the stock price recover and move up this year.

Kinaxis

Kinaxis (TSX:KXS) is an Ottawa-based software business involved in supply chain management and operations planning. Approximately 41% of the corporation is owned by its top 25 investors, meaning there are some big-money investors with some serious skin in the game.

This stock is one that's been rather volatile over the past year. The company's recent results suggest that Kinaxis could be a money-making machine over time. The company brought in profit of $55.1 million on revenue of $89.4 million in the third quarter (Q3) of 2022, meaning this is a company with a hefty operating margin. Accordingly, as growth in the operations planning software market picks up, investors should reap significant bottom-line growth over time.

On Mar. 1, 2023, following closure of the markets, Kinaxis will release its quarterly earnings for Q4 and full financial year.

Canopy Growth

Canopy Growth (TSX:WEED) is among the leading cannabis companies in Canada. Accordingly, as far as growth stocks are concerned, Canopy Growth remains among the more cyclically sensitive names investors can bet on.

The company's relatively disappointing performance this month may have shaken some investors' confidence in this name. Canopy was up approximately 25% through early February, before giving up all its year-to-date gains and then some on the back of relatively weak results.

This is a company that's producing negative free cash flow and has some unsecured notes to pay off in the near term. Thus, this is a stock that's prompting concerns over the company's liquidity position, following various equity sales in recent years, as the cannabis sector boomed.

With all that said, for those looking for a high-beta way to play a momentum rally in the market, WEED stock is one top option to consider. This is a company with its own share of problems, but if growth stocks take off again, Canopy Growth could lead the way higher among this group.

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1. Investing

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2. TSX:SHOP (Shopify Inc.)
3. TSX:WEED (Canopy Growth)

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