



3 Growth Stocks I Bought to Get Ready for the Coming Bull Market

Description

Right now, a bull market in stocks could be forming. Consumer spending is rising, inflation is falling, and goods are being sold in vast quantities. There are many problems in the world, most notably the continued conflict in Ukraine, but there are also more reasons for hope. In this article, I will explore three growth stocks I bought to get ready for the coming bull market.

PDD Holdings

PDD Holdings ([NASDAQ:PDD](#)), formerly “Pinduoduo,” is a Chinese e-commerce stock that is experiencing rapid growth. The company grew at 65% in its most recent quarter, and 26% in the last 12 months. It is growing quickly in China because its agricultural goods are popular, and in the United States due to a massive ad campaign. Many people claim to be able to find great deals on its e-commerce marketplace Temu, especially on things like clothing and toys. Unfortunately, it isn’t possible to discern exactly how well Temu is doing on its own, because PDD does not list its financials separately from those of the overall company. Still, PDD as a whole is a very exciting opportunity.

Taiwan Semiconductor Manufacturing

Taiwan Semiconductor Manufacturing ([NYSE:TSM](#)) is another growth stock I started buying recently. It’s a company that manufactures [computer chips](#). It owns 60% of the chip manufacturing market. The chip maker achieved such a high market share by getting into the industry early and investing heavily in equipment. TSM announced positive earnings growth last quarter, when many other chip companies saw their earnings decline. Charlie Munger called it the “strongest company in the [semiconductor] industry.”

Alibaba

Last but not least, we have **Alibaba Group Holding** ([NYSE:BABA](#)). This is a Chinese e-commerce company that is well known for supplying bulk goods to Western e-commerce vendors. In China, their

role is much larger. There, they are the largest e-commerce company, supplying a wide variety of peoples' everyday needs.

The reason why I bought BABA is because it was cheap despite its strong growth potential. It trades at only 1.7 times book value and 2.3 times sales. That's pretty inexpensive by the standards of big tech companies these days, yet BABA has a great opportunity to grow in the years ahead.

Looking for a similar Canadian stock?

If you're looking for a Canadian stock that has growth potential, you could look into **Shopify** ([TSX:SHOP](#)). Shopify is a [tech company](#) that develops a website platform for people who want to host their own stores online. Just recently, it put out an earnings release that showed 14% growth in earnings. Though investors wanted to see better growth than that, so they sold off SHOP stock after it came out.

Is Shopify a good stock today? It's hard to say. SHOP is still expensive, but it's cheaper than it was in the past. If it can get its growth back up, then it may be a good buy. I think if SHOP were to fall to somewhere in the \$20 to \$30 range, it would be a buy. Even today, it has potential, though it will need to accelerate its growth in order to rise notably higher from today's level.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:PDD (Pinduoduo)
2. NYSE:BABA (Alibaba Group Holding Limited)
3. NYSE:TSM (Taiwan Semiconductor Manufacturing Company Limited)
4. TSX:SHOP (Shopify Inc.)

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