



Which Technology Company Belongs in Your Portfolio?

Description

It's a shame that there aren't more technology stocks to choose from on the Toronto Stock Exchange. There are a few reasons for this lack of choices. One is that Canada does not have its own Silicon Valley. Another is that many successful start-ups would rather sell out to **Google** than try to make it on their own.

But there still are some tech companies worth considering. Three are listed below.

1. BlackBerry

It's unfortunate that Canada's best-known technology company, **BlackBerry** ([TSX: BB](#))(NASDAQ: BBRY), has fallen on such hard times. But with new CEO John Chen at the helm, it seems like the company knows what it has to do to turn the ship around, which mainly involves shifting into enterprise services.

There are other assets that will help BlackBerry, including its QNX platform, its patent portfolio, BBM, and its leadership in security. Time will tell if Mr. Chen is successful or not, but at this point few people seem to believe he will be — hence the depressed share price.

2. CGI Group

Technology services provider **CGI Group** ([TSX: GIB.A](#))([NYSE: GIB](#)) has been a success story for a long time, but has come under heavy scrutiny recently for two reasons. One was the company's role in the healthcare.gov debacle. More significantly, though, there have been some serious concerns about CGI's accounting.

A number of famous short-sellers, including Jim Chanos, who became famous for betting against Enron, are betting against CGI Group. But others take a different view. For example, Jason Donville of Donville Kent Asset Management, a well-regarded investment manager, calls CGI a "screaming buy". Time will tell who is right.

3. Avigilon

HD security provider **Avigilon** (TSX: AVO) has certainly been on a wild ride. From 2011 to 2013, its revenue and net income both tripled, which was certainly good for its stock price. In 2012, the company's shares increased by 189%. In 2013, the shares jumped another 163%.

The company has continued to do an excellent job growing, but a few high-level departures, including a resignation by the CFO, have put a damper on the company's stock price, which is down about a third in 2014. CEO Alexander Fernandes has acknowledged that Avigilon is a "high-performance culture" and that "this place may not be for everyone".

After the stock price slump so far this year, there may be an opportunity to pick up a fast-growing company's shares at a discount. But where there's smoke, there's usually fire. Be careful.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:GIB (CGI Group Inc.)
3. TSX:BB (BlackBerry)
4. TSX:GIB.A (CGI)

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Author

bensinclair

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