Can’t Get Into the Alibaba IPO? 3 Tech Companies to Buy Instead

Description

Alibaba (NYSE: BABA) is going public this Friday in what many are suggesting will be the biggest IPO in history. Expected to raise over $21 billion, Alibaba has fund managers around the world frothing at the bit to buy shares.

Are you hoping to buy in too? Alibaba is already over subscribed, which means that there’s no way for the average retail investor to get in on this opportunity until it debuts and even then, good luck.

Fortunately, you can still profit from the IPO. Just buy the companies the fund managers have to sell to raise liquidity to get into Alibaba. When investors are selling for no other reason than to get into another stock, frankly, it makes me greedy to buy.

1. BlackBerry Ltd.

The earnings call for **BlackBerry** (TSX: BB)(NASDAQ: BBRY) is next week and I have a good feeling about it as a long-term hold. CEO John Chen has been making some smart moves since he took over. On the Q1 2015 earnings call, Chen said that if BlackBerry sold 10 million phones, it would be profitable.

In addition, many companies are likely to rethink their bring your own device strategies after the recent iCloud incident, putting Blackberry in a very good position to grow. If BlackBerry were to drop a couple of percentage points leading up to Friday’s Alibaba IPO, it would create an incredible opportunity to buy an already undervalued stock even cheaper leading into next week’s call.

2. Rogers Communications Inc.

This one is a given. **Rogers Communications Inc.** (TSX: RCI.B)(NYSE: RCI) is a very large growth stock that is likely to continue going up, but in the short term, is likely to drop because investors need money for Alibaba. Even more than BlackBerry, this company could be a fantastic buy right around the Alibaba IPO.

It has a 30% market share of the wireless market, a large cable and broadband business in Ontario, a growing media empire, and owns, either completely or partially, a couple of sports teams. This is a diversified company that will continue to grow.

But what really makes it a really great buy is the fact that it pays out such a great dividend. At 4%, an investor can expect to get a good return each quarter from this investment. And if you can get it at a discount, I'd say you are in a good place.

3. Amaya Gaming Group Inc.

When it comes to **Amaya Gaming Group Inc.** (TSX: AYA), you're looking at a gamble. This is a company that has gone from the $8 range to $35 in a matter of six months. This is built primarily on the fact that the company bought PokerStars and Full Tilt Poker for $4.9 billion, which closed on August 1, 2014. This made the company the world's biggest publicly listed company.

The reason this is a speculative bet is because gambling is something people do when they have extra money. With worries that the world economy might be slowing down, Amaya Gaming might see its revenue slow. However, if you have the stomach for a speculative bet, expect many investors to ring that cash register and get out of this to fund their Alibaba investment, especially if they have been holding for longer than six months.

Prepare to buy

Many companies might see their stock price drop in the coming days as fund managers get ready to invest in the IPO. And it's not just tech companies that are going to see this happen. Any growth stock may be affected. If you have money in your account to buy, you could definitely get some good deals.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:RCI (Rogers Communications Inc.)
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