



## The 3 Top Tech Stocks to Buy for 2019

### Description

The TSX Technology Index has been one of the best-performing indexes. Over the past five years, the Index has returned an average of 19.25% annually. In comparison, the TSX Composite Index has returned only 5.3% on average. Year to date, the TSX has lost almost 7%, while the Tech Index is up 16.47% over the same period. Why the outperformance? It's quite simple. The tech sector is home to some of the best growth stocks on the TSX.

This outperformance should continue as the tech industry is still in its infancy. With that in mind, here are the top three tech stocks to buy for 2019 and beyond.

### Top-performing tech stock

One of the best performers this year has been none other than **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). As of writing, the company's stock price has jumped 53% in 2018. Since its IPO back in May of 2015, Shopify has returned a whopping 493%! The good news is that the [company continues to grow](#) at a rapid pace.

Analysts expect the company to post sales and earnings-growth rates of 40% and 135% in 2019. You'd be hard-pressed to find this type of growth anywhere else. There is also a good chance that this is on the low end. Why? Since it went public, Shopify has beaten analysts' earnings and revenue estimates in every quarter. That is 13 straight quarters of outperformance.

### Best-valued tech stock

It hasn't been the best of years for **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)). Although its yearly gain of 2.89% is still far above that of the TSX Index, it's well below the company's historical averages. However, where others see weakness, I see opportunity.

Open Text is now one of the best-valued technology stocks. It's trading at a forward price-to-earnings (P/E) of 15.46 and a P/E to growth of 1.1 (PEG), far below the industry averages. In fact, it's even

below that of the broader TSX averages. Furthermore, Open Text's price-to-book, price-to-sales, and price-to-cash flow multiples are all below the company's historical five-year averages.

## Best technology stock for income

There are few attractive income plays in the tech industry. However, if you look hard enough, there are little gems to be found. Case in point, **Sylogist** ([TSX:SYZ](#)). This [little-known company](#) offers a wide range of intellectual property solutions to a range of public and private sector customers.

Sylogist is one of the rare tech companies that has the distinction of calling itself a Canadian Dividend Aristocrat. Aristocrats are companies that have a history of raising dividends for five or more consecutive years. Of those from the tech sector, Sylogist's yield of 3.09% is almost double that of its closest competitor, which just happens to be the aforementioned Open Text. Sylogist has an eight-year dividend-growth streak and last raised dividends by almost 20% this past November.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:OTEX (Open Text Corporation)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:OTEX (Open Text Corporation)
4. TSX:SHOP (Shopify Inc.)
5. TSX:SYZ (Sylogist Ltd.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Dividend Stocks
2. Investing
3. Tech Stocks

### Date

2025/08/23

### Date Created

2018/12/13

### Author

mlitalien

default watermark