Top TSX Tech Trends to Double-Down On

Description

Most Canadian investors I know get their tech exposure from the U.S. market. Although it may seem there are few (if any) top-notch tech options on the TSX index, I'd argue that the best tech plays are under the radar, and may be ripe for more upside over the next five years out relative to their more well known American counterparts.

While it's tempting to bet on a tech play that you already know and love, it may also be worthwhile to bolster your growth portfolio with some homegrown tech names. Canada's tech darlings are beginning to make noise, so much so that our neighbours to the south have been commenting on such names on various televised financial programs.

Shopify (TSX:SHOP)(NYSE:SHOP) stands out as a fast-rising tech star that's put Canada on the map in the tech scene over the past few years. And as the global investors start looking beyond the confines of Silicon Valley for their tech exposure, I'd keep an eye on Canada's up-and-coming tech players, as they very well may evolve to become as remarkable as Shopify has been.

Where should investors look to?

From a top-down perspective, starting at technological trends and narrowing down to individual companies, there are trends that could give you a better idea of which underrated TSX tech names could be skating to where the puck is headed next. So, without further adieu, consider the following tech trends as you go on the hunt for Canada's next big tech names:

The application of big data

We're on the cusp of a big data revolution. With petabytes of data propagating among suppliers, consumers, and various other intermediaries, there are treasure troves of buried data that are of practical use.

Finding the useful data is no easy task, and while a *Minority Report*-style piece of software, which can help firms proactively prepare for an event, may seem far-fetched and sci-fi, it's closer to reality than you think, as many public and private enterprises are fighting to provide prospective clients with

transformative services that'll eventually become a must in the latter part of the 21st century.

Cloud computing and Software-as-a-service (SaaS)

As you may have noticed, most of the heavyweight desktop applications that you've grown accustomed to have become lighter weight and have migrated to the cloud. The cloud is not only more convenient for customers, but enabling a cloud, SaaS service, allows software developers to charge subscription fees to prop up revenues with increased regularity.

Moreover, such readily available subscribed-to applications allow for quick on-the-fly updates, enhanced customer service experiences, and pay-what-you-use options for prospective clientele.

Kinaxis (TSX:KXS), a supply chain SaaS provider, is looking to modernize companies through the use of big data (using artificial intelligence and machine learning) with its lightweight program that prospective clients didn't realize they needed.

Ensuring smooth operation of a supply chain is never easy, and with services from Kinaxis, expenses can be greatly reduced. With a try-before-subscribing model, prospective clients test out Kinaxis' to see if it does as advertised. And should the proof end up being shown it's in the pudding, suddenly Kinaxis has a customer in the bag for the long term.

Foolish takeaway

Big data, the cloud, and SaaS are the tech trends that are going to produce major multi-baggers over the next decade. Kinaxis is a play on each, and while there are many other Canadian plays like it out there, Kinaxis seems like a standout player given the amount of traction it's garnered over the past three years and the untapped nascent market that lies ahead of it.

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