



TFSA Investors: 2 Must-Own Tech Stocks

Description

It was difficult to predict the rally we have seen in 2019 so far. Many investors entered 2018 reeling from the worst final quarter the stock market had suffered since the financial crisis. Tech stocks in the United States and Canada were hit especially hard.

As of mid-February, tech stocks have bounced back nicely. The tech-heavy NASDAQ index is on pace to break out of a bear market as of close on February 13. The TSX is light on technology stocks, but that doesn't mean that there aren't attractive options that have thrived to start the year.

Today we are going to look at two top tech stocks that have surged in February. It is a pricey environment right now, but these equities are well worth owning for the long term.

BlackBerry ([TSX:BB](#))([NYSE:BB](#))

BlackBerry stock was up 15.7% in 2019 as of close on February 13. In January I'd explained why I thought [the stock was a steal](#) priced below the \$10 mark. The stock closed at \$11.24 on February 13.

BlackBerry's footprint in growing markets like cybersecurity and automated vehicle technology make it a highly appealing target. In early January the company unveiled the world's first digital cockpit solution that provides access to Android-based applications like Google Maps and Google Play Music from a single ECU. The company's automotive vertical division drove double-digit revenue growth in its Technology Solutions segment in the third quarter of fiscal 2019.

BlackBerry stock is pricey right now. As of close on February 13, the stock had an RSI of 66, putting it just outside of overbought territory. However, shares were still down 24% year over year. BlackBerry stock may temporarily cool, but shares have room to run going forward.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#))

Shopify stock had climbed 20.5% in 2019 as of close on February 13. In a Wednesday article I'd [discussed Shopify's current valuation](#). Shopify stock inched down on February 13, but its valuation was still within striking distance of overbought territory. However, a rock-solid earnings report demonstrated

that this is a stock to bet on for the long haul.

Shopify crossed the \$1 billion revenue mark for the full year in 2018. The company announced several impressive milestones for the year. Merchants on the platform achieving over \$1 million in gross merchandise volume (GMV) grew 58% in 2018, and merchants already on the Shopify platform for 12 months or more grew their GMV at an average monthly rate of 24%.

For 2019 Shopify projects revenues in the range of \$1.46 billion to \$1.48 billion and adjusted operating income in the range of \$10 to \$20 million.

Shopify has rewarded shareholders who have held through a short-seller attack and bouts of volatility in 2018. In the article above, I said that it was an opportune time to take profits. Those looking to add Shopify to their portfolios should await a pullback instead of buying close to its all-time high in mid-February.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)
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