



Keep Calm Through the Market Volatility With These 2 Top Tech Stocks

Description

Are you starting to get nervous?

Market moves in the last week have certainly made many investors re-evaluate their holdings. As we do this, let's make sure we remember two things. First, we're in it for the [long-term](#). Second, market weakness can be a great time to buy stocks on the cheap

Here are two tech stocks to hang onto to safely ride the [volatility](#) storm.

CGI Group Inc. ([TSX:GIB.A](#))([NYSE:GIB](#))

CGI Group has weathered many storms in the market extremely favourably, and as such, it remains a top tech stock to help us stay calm through market volatility.

Over the last 10 years, CGI stock has steadily risen from \$10 to current levels of almost \$100, a 900% increase.

This stock doesn't offer a dividend, as the company's goal is growth with a goal to double in size over the next five to seven years. As in the past, CGI plans to do this through acquisitions and organic growth.

Small, tuck-in acquisitions are constantly evaluated and transacted upon, and a bigger, transformative acquisition appears to be closer than ever, with the company waiting for the right time for maximum value creation.

The resources are certainly there, and with a strong balance sheet and strong and accelerating free cash flow generation (1.1 billion in 2018), CGI is seemingly on the cusp of something big.

CGI remains a top long-term holding that will thrive for years to come as it transforms industries through its IT systems that increase productivity, knowledge and wealth.

Open Text Corp. ([TSX:OTEX](#))(NYSE:OTEX)

Open Text is not necessarily the tech stock we think about when we think of top Canadian tech stocks.

But this stock has also grown steadily since 2009, from under \$10 to over \$50 currently.

Perhaps more important is the fact that Open Text is a \$14 billion tech company that's growing rapidly in the cloud business, with two recent cloud-based acquisitions strengthening its position.

Open Text stock remains undervalued relative to its tech peers, trading at a P/E ratio of less than 20 times, with a 20% increase in year-over-year earnings last quarter, rapidly rising margins and cash flows, a healthy balance sheet, and a dividend yield of 1.7%.

Final thoughts

CGI Group and Open Text are two attractive, reliable Canadian tech stocks that can help us ride through the volatility in the market because these companies are ripe with cash flows that are seeing rising margins, healthy balance sheets, and are executing successful acquisition strategies for long-term growth.

CATEGORY

1. Investing
2. Tech Stocks

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2. NYSE:GIB (CGI Group Inc.)
3. TSX:GIB.A (CGI)
4. TSX:OTEX (Open Text Corporation)

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