



3 Tech Stocks That Could Go Parabolic

Description

Forget about FANG, the acronym for **Facebook**, **Amazon**, **Netflix**, and Google (now known as **Alphabet**), for just a moment. Most Canadians have some exposure to the four popular U.S. stocks because there's been a severe shortage of similar hyper-growth tech plays on this side of the border over the years.

Oh, how the times have changed with red-hot names like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), blowing FANG stocks out of the water with a magnitude of momentum that seems unstoppable.

Indeed, Canada's tech scene has become sexier in recent months, and even with all the [concerns](#) about trade and a looming recession that I'm sure you'll agree we're way overdue for, Canada's hottest tech stocks are continuing to raise the bar, making new all-time highs as FANG stocks look to recover ground lost in last year's Christmas plunge.

Now that FANG has cooled down, it's time to have a look at Canada's up-and-coming tech plays while they're hot. But be warned, they could be too hot to handle for all but the most patient of long-term investors.

Shopify

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is the Canadian e-commerce kingpin that American investors who couldn't get enough of FANG a few years ago are looking to today for their hyper-growth fix.

To say that Shopify has been on an impressive run would be a heck of an understatement. The name is a significant multi-bagger that has had its way with the infamous short-seller Andrew Left, but as the valuation continues to rise above and beyond, investors will need to brace themselves for a potential reversal of fortune should the company's growth numbers no longer be able to justify its absurd 32.3 P/S multiple.

For now, investors can't get enough of Shopify, and as the company continues knocking quarters out of the ballpark, Shopify stock will continue to defy the laws of gravity.

Shopify is your typical high-risk, high-reward play. And if you're looking to get in at a "reasonable" multiple, you might as well just put Shopify on your no-fly list, because the stock will probably never trade at anything short of insanely expensive. So, as the stock continues soaring, it may make sense to get a bit of skin in the game with the intention of doubling down on a pullback that'll come with the next recession that everybody seems to think is inevitable.

Ceridian HCM Holdings

Ceridian HCM Holdings (TSX:CDAY)([NYSE:CDAY](#)) is the winner of the TSX IPO class of 2018 as far as I'm concerned. The human capital management (HCM) space is booming, and Ceridian has a front-row seat to the nascent market with its flagship Dayforce HR product, which is making a name for itself on the international stage.

Ceridian stock recently pole-vaulted to a new all-time high after a few months of consolidation, and as Dayforce looks to post around 30% in sales growth in the latter half of the year, it's likely that Ceridian's stock could heat up again as it did out of the IPO gate.

Like Shopify, Ceridian is capable of surpassing the most optimistic of analyst expectations, a trait of a potential multi-bagger.

The stock trades at 10.5 times sales and 93.7 times trailing earnings, which is steep, but not as expensive as the likes of a Shopify, despite being in a top-tier player in a booming market.

Lightspeed POS

Finally, we have **Lightspeed POS** ([TSX:LSPD](#)), a red-hot commerce-enabling software company that has more than doubled since going live on the public markets earlier this year.

Like Shopify, Lightspeed has found a niche for itself within the commerce space. Although Lightspeed's e-commerce platform may not be at the level of Shopify's (at least not yet), Lightspeed's powerful, lightweight POS system, fully equipped with data analytics has been levelling the playing field for everyday retailers and restaurateurs that aren't named Amazon.

The stock trades at an equally absurd 33.3 times sales multiple, so value-conscious investors are urged to scale into a position over time.

Both Shopify and Lightspeed are two of the hottest next-gen retail platform providers out there. They're both expensive, they're both Canadian, and they're both far hotter than the likes of a FANG.

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