



3 Tech Stocks Worth Buying in 2020

Description

Tech stocks have led the market higher for years. Companies like **Netflix**, **Facebook**, and **Alphabet** (the parent company of Google) have all more than quadrupled over the past decade. That's more than *seven times* the return of the **S&P/TSX Composite Index**. If you wanted to get rich over the last 10 years, technology stocks were the way to go.

While Netflix, Facebook, and Google are all U.S. companies, Canada has had its own share of tech successes. In fact, many of Canada's top tech stocks have [bright futures](#) ahead of them.

If you want to tap into the fastest-growing companies on the TSX, now is your chance.

Inventing the future

BlackBerry ([TSX:BB](#))([NYSE:BB](#)) is one of Canada's most iconic stocks. Long known for manufacturing smartphones with physical keyboards, BlackBerry has exited the phone-making business entirely. Today, it's focused on software that will enable next-gen technologies like autonomous vehicles, the Internet of Things, and real-time healthcare analytics.

While it's not widely known, BlackBerry now controls some of the most advanced cyber-security systems on the planet. Its Cylance division, for example, uses artificial intelligence to detect potential attacks *before* they occur. This capability is incredibly valuable for a wide array of upcoming technologies.

Self-driving cars, for example, rely on software to protect passengers. If that software is comprised, the costs could be catastrophic. BlackBerry's software suite is designed to protect these new technologies as they scale globally. BlackBerry stock recently hit a multi-year low, giving new investors an attractive entry point.

Going deep

Constellation Software ([TSX:CSU](#)) isn't focused on huge opportunities like autonomous vehicles. Instead, the company is going much deeper into more niche areas.

Founded in 1995 by a venture capitalist, Constellation owns, manages, and acquires a wide variety of software tools that you've likely never heard of. That's because, in many cases, its software only works for a specific task or industry. While that doesn't sound incredibly useful, these tools nearly always enable *mission-critical* tasks. Without Constellation's software, some companies would cease to function. Now that's staying power!

Embedding itself deeply into its customers operations has helped Constellation post incredible retention rates and margins. After all, once a piece of software is built, it doesn't cost the company much for a user to continue using it. Since 2006, Constellation stock has rocketed higher by 6,600%. In the past 12 months alone shares are up nearly 40%. With all the pieces still intact, don't be surprised to see this strong performance repeated again and again.

Creating a new world

You want to discover stocks like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) early. Since 2015, shares are up by more than 1,000%. Doubling in price seems like a common occurrence. Never pass up the chance to invest in companies like this. That's because Shopify has mastered an incredibly lucrative approach: platforming.

As the name suggests, platforming is when a company creates a platform on which other things can be built. Using Shopify's e-commerce platform, entrepreneurs can not only set up an online storefront but also integrate payments, customer service, marketing, and much more. This is a huge advantage for small businesses, but comes at a price; if they ever want to leave Shopify, they'll lose their entire business.

Shopify stock continued to surge this year, but judging by its crazy valuation of 25 times forward sales, the market has largely caught on to its attractiveness. If you want big gains, look for the *next* Shopify.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:BB (BlackBerry)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BB (BlackBerry)
4. TSX:CSU (Constellation Software Inc.)
5. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn

3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/08/18

Date Created

2019/11/09

Author

rvanzo

default watermark

default watermark