



2 High-Growth Tech Stocks to Own in 2020

Description

High-growth tech stocks have been on a tear. Over the past decade, juggernauts like **Netflix Inc**, **Microsoft Corporation**, and **Amazon.com, Inc.** have added the bulk of gains for stock indexes through exponential share gains.

These companies can accelerate the value of your portfolio faster than nearly [any alternative](#).

Fortunately, Canada is home to many of the best high-growth tech stocks on the planet. The following two picks are already up by more than 1,000%. The upcoming year looks just as bright.

Platforming global consumption

E-commerce is one of the great growth opportunities in history. In 2000, digital retail sales composed just 0.8% of total retail sales in the U.S.

Last year, that figure surpassed 10%. Globally, annual e-commerce sales total in the *trillions*. That's a massive surge in only a few short decades.

The most famous winner of this period is **Amazon.com, Inc.** ([NASDAQ:AMZN](#)). In 2001, shares were priced at \$8.

Today, they're approaching the \$2,000 mark, assigning the company a valuation of around \$1 trillion.

Despite historically growth, the coming decade will completely transform the space, creating new opportunities just as lucrative as those of the past. A perfect example is **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)).

Shopify has been able to do what few (if any) competitors have been able to achieve: beat Amazon at its own game.

Rather than launching a single, unified online marketplace, Shopify merely created a *platform* for

entrepreneurs to spin-up their own digital storefronts.

This platform already includes everything you need to begin selling immediately, including a website builder, payment processing, inventory management, and marketing tools.

Third-party developers have built hundreds of additional capabilities that can be added through one click.

This attracts more users to the platform, encouraging even more developers to work on the platform. This feedback loop is what has caused Shopify to become a \$50 billion enterprise in a few short years.

Still, Shopify controls less than 0.01% of the global e-commerce market. This year should be another period of hyper growth.

Automation is permanent

Constellation Software Inc ([TSX:CSU](#)) is a much quieter company. You've likely never heard of it or used any of its products. Still, the business is valued at \$30 billion, up from \$3 billion in 2013.

While e-commerce remains one of the biggest growth markets in history, automation may prove to be even larger.

By owning and acquiring niche automation software, Constellation has a first-row seat at the table.

Notably, Constellation focuses on software that provides mission-critical services for its customers.

This increases pricing power, but also results in industry-leading renewal rates. And because these products are so niche, there are often *zero* alternatives to switch to.

No matter where the global economy heads this decade, Constellation is well positioned. In fact, if a recession hits, the company may gain as its customer base scrambles to cut even more costs by automating more of its business processes.

This stock has been perpetually undervalued for more than a decade. How else would shares be able to double nearly every calendar year? Automation efforts will only accelerate, putting Constellation in a prime position for rapid growth.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
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Date

2025/08/26

Date Created

2020/01/23

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