



Top 2 Tech Stocks to Own As an Epidemic of Fear Sweeps the Market

Description

An epidemic of fear is sweeping the market, and no one knows its potential damage to the global economy yet, as things are still unfolding. It appears, however, that the tech sector has yet to feel the immense pressure.

Two **TSX** stocks, **Real Matters** ([TSX:REAL](#)) and **Descartes** ([TSX:DSG](#))([NASDAQ:DSGX](#)) are gaining instead of losing momentum. The former is up 22.48% year to date, while the latter's gain is 2.9% thus far.

Real progress

Real Matters emerged as [one of the best-performing stocks](#) on the TSX last year. This \$1.28 billion tech firm rewarded investors with a 273.33% gain in 2019. The company provides technology and network management solutions to mortgage lending and insurance industries in Canada and the United States.

With the nature of the business, I don't see how the coronavirus could directly affect Real Matters, although a general market selloff could.

Nevertheless, residential mortgage appraisals for purchase, refinance, and home equity transactions should continue if clients require such services.

Last January 30, 2020, Real Matters CEO Jason Smith presented impressive numbers. For the first quarter of 2020 ended December 31, 2019, the company posted a 71.4% increase in revenue. The adjusted EBITDA margins of 41.2% in the same quarter dwarf the 9.1% figure in 2019.

Smith attributes the surge in refinance volumes in the first quarter to the robust U.S. mortgage market. Real Matters was the top-of-mind choice of U.S. appraisal clients.

The strong performance of its title services in America, as well as new client additions, contributed more than 50% to revenue growth.

Real Matters is riding on strong momentum, and management is hoping that the coronavirus will not trigger a housing market crash at home and across the border.

No business disruption

Descartes is a logistics technology firm that provides various solutions for carriers, logistics providers, shippers, and government entities. It would be understandable to see the business slow down if the global supply chain suffers.

According to Descartes CEO Edward Ryan, it's surprising that its network isn't showing any troubling signs from volume movements thus far. This \$4.57 billion software-as-a-service provider from Ontario remains upbeat about its prospects in 2020. The latest rebound of freight volumes in China is a positive sign too.

For the Q4 fiscal year 2020, Descartes reported resounding increases in both revenues and profits. Revenue rose to \$325.8 million or 19% better than the Q4 fiscal year 2019. Net income increased to \$11.4 million, a massive 44% increase versus the same period last year.

The CEO is fully aware of the uncertainties ahead because the situation could change and make a significant impact. He stressed that customers will need Descartes more than ever given the many challenges for supply chains, not to mention COVID-19.

Tech winners

Tech companies with established market positions should be [good investment choices](#) for the long term. Real Matters is a leading network management services platform for the mortgage and insurance industries.

Meanwhile, Descartes' multi-modal and neutral logistics network is the world's largest. The company is attracting high profile names such as **American Airlines**, **Coke**, and **Home Depot** as it continues to grow its client base.

CATEGORY

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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)
3. TSX:REAL (Real Matters Inc.)

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